MODELLING THE DETERMINANTS OF THE BUSINESS PERFORMANCE OF SMALL AND MICRO ACCOMMODATION ENTERPRISES IN THE FORMAL SECTOR IN SOUTH AFRICA

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Declaration

By submitting this dissertation, I, Hendrik Johannes Christoffel van Zyl, declare that the entirety of the work contained herein is my own, original work, that I am the owner of the copyright thereof (unless to the extent explicitly otherwise stated), and that I have not previously in its entirety or in part submitted it for obtaining any qualification.

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Abstract

This study investigated the nature and the extent of the inter-relationships between the Kirznerian and Schumpeterian entrepreneur types and decision styles, decision context prioritisations, strategic orientations as determinants of small accommodation enterprise performance within the formal South African accommodation enterprise sector. The study distinguished between two decision styles, namely cognitive and emotive decision making. Quality, customer satisfaction, impact on the natural environment, speed of reaction, ethical conduct and profit maximisation were considered as decision context prioritisations. Market and relationships strategic orientations were considered as alternative strategic alignments. The small tourism enterprise performance construct was assessed by considering the number of customers, amount of customer spending, profit margin, number of employees, number of loyal customers, sales revenue, total costs and total employee costs of the accommodation enterprises.

The demographic profiles of the accommodation enterprise owner-managers were explored and characterised according to the age of the venture, age of the owner-manager, the owner-manager's experience in the tourism industry, number of employees, gender, language, motivation to be in the tourism industry and the location of the enterprise in South Africa. The various associations between the demographic profile variables and entrepreneur types, decision styles, decision context priorities, strategic orientations and small tourism enterprise performance were additionally determined.

Techniques such as exploratory factor analysis, correlation analyses, multiple regression analyses, Chi-square analyses, analyses of variance and partial least squares structural equation modelling were applied to analyse the data.

The main determinants to small accommodation enterprise performance, as modelled by this study, were found to be the possession of a growth-oriented mindset, the utilisation of a cognitive decision style and the application of a market strategic orientation. The link between Kirznerian and Schumpeterian entrepreneur types and small accommodation enterprise performance was additionally found to be through the mediating role of a market strategic orientation. Significant associations between some demographic variables and small enterprise performance, market strategic orientation and decision context variables were described. Schumpeterian entrepreneur type was found to rank profit maximisation as decision priority low relative to quality, customer satisfaction and ethical orientation.

Key words: Kirznerian entrepreneur type; Schumpeterian entrepreneur type; cognitive decision making; emotive decision making; market strategic orientation; relationships strategic orientation; decision context priorities; small tourism enterprise performance.

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List of acronyms and abbreviations

AA	Automobile Association
ANOVA	analysis of variance
AVE	average variance extracted
BABASA	Bed and Breakfast Association of South Africa
BER	Bureau for Economic Research
CDM	cognitive decision making
CDS	cognitive decision style
CEBR	Centre for Economic and Business Research
CR	composite reliability
CSR	corporate social responsibility
DIS	Destination information reservation and booking systems
ECSI	European Customer Satisfaction Index
EDM	emotive decision making
EDS	emotive decision style
EFA	exploratory factor analysis
EI	emotional intelligence
EIC	emotion-imbued choice
EO	entrepreneurial orientation
EU	European Union
GDP	gross domestic product
GOM	growth oriented motivation
I/C	innovative/creative entrepreneur type
IPA	interpretative phenomenological analysis
KET	Kirznerian entrepreneur type
KMO	Kaiser-Meyer-Olkin

LSD	least significant difference
ML	maximum likelihood
MO	market orientation
MSO	market strategic orientation
OA	opportunity alert entrepreneur type
PAF	principal axis factoring
PCA	principal component analysis
PLS-SEM	partial least squares structural equation modelling
RMO	relationship marketing orientation
RO	relationships-oriented strategic orientation
RSO	relationships strategic orientation
SANParks	South African National Parks
SET	Schumpeterian entrepreneur type
SME	small and medium enterprises
SMH	Somatic Marker Hypothesis
STEP	small tourism enterprise performance
TBL	triple bottom line
TGCSA	Tourism Grading Council of South Africa
TourServQual	Tourist services quality
TPVCM	Tourism Performance Value Chain Model
TQM	total quality management
US	University of Stellenbosch
WII	Wholistic Intra-Individual

CHAPTER 1
INTRODUCTION AND STATEMENT OF THE PROBLEM

1.1. INTRODUCTION

In fast-changing markets, the associated influences of turbulence and related uncertainties create challenges for small enterprise-level decision-makers (Brundin & Gustafsson, 2013: 568; Diddonet, Simmons, Diaz-Villavicencio & Palmer, 2012: 757). Market conditions that are characterised by unpredictability and frequent destabilising environmental shifts furthermore affect small enterprise performances (Parnell, Lester, Long & Köseoglu, 2012: 546; Wang & Fang, 2012: 311). Global markets are currently experiencing increasing levels of change and volatility. This means that at enterprise-level there has to be sufficient capacity to reshape strategies in order to maintain or improve on competitive advantage to perform (Chadee & Roxas, 2013: 19; Jocumsen, 2004: 659).

According to Wang, Ellinger and Wu (2013: 253), the external environmental conditions are continuously changing. The tourism industry in South Africa is exposed to these forces of global market turbulence and volatility (Mason, 2006: 241). However, despite the market uncertainties, the tourism industry in South Africa is also identified as a potential growth industry with job creation possibilities (SAT, 2011). The importance of the tourism industry is reflected in the almost 9% contribution to the gross domestic product (GDP) in South Africa in 2006 (George, 2007: 7). In addition to the contribution to GDP, the tourism industry employs more than 10% of the total workforce in South Africa (WTTC, 2013). Yet, according to Tassiopoulos (2010: 36), small and micro tourism enterprises are less sustainable than medium sized tourism enterprises and therefore contribute to employment volatility and uncertainty in this industry. The main reasons seem to be vested in ineffective owner-manager's strategic decision making and poor enterprise management. Ligthelm (2010: 150) confirmed this finding by adding that the human factor is the overwhelming force that determines the survival or prosperity of an enterprise. Furthermore, the tourism industry is a highly competitive industry (Tassiopoulos, 2010: 43). In highly competitive environments the owner-manager's entrepreneurial strategic decision making would inevitably have to be effectively applied to be relevant and to ensure sustainable tourism enterprise progress and growth.

Owner-managers of small tourism enterprises could possess different entrepreneurial characteristics which could influence decision making and eventually enterprise performance in a variety of ways. Entrepreneurs with a preference for creating and implementing unique solutions to market needs differ from entrepreneurs with dominant preferences for recognising and exploiting existing opportunities in

the market (Marcotte, 2014). Hence, the interaction between different entrepreneur types and different environmental conditions results in different strategic approaches and eventually different enterprise outcomes. The existing literature does not describe this situation within the South African small tourism accommodation enterprise context.

Additionally, decision-making styles of entrepreneurs could also affect different enterprise outcomes based upon individual-level combinations of cognition and emotion in entrepreneurial decision making (Kim, Payne & Tan, 2006; Lakomski & Evers, 2010; Smith & Reynolds, 2009). Emotion is necessary for rational decision making in an entrepreneur (Kim *et al*., 2006: 281); however, emotion can fluctuate and render some inconsistencies in their decision making (Lakomski & Evers, 2010: 443). Emotional content in an entrepreneur's decision making also varies across different cultures (Smith & Reynolds, 2009: 592). However, no evidence exists in the literature of the combined roles of cognition and emotion on decision outcomes within the South African small tourism enterprise context.

According to Brundin and Gustafsson (2013: 568), entrepreneurs make decisions considering certain contexts. These contexts include, for instance, perceptions about quality of service (Ciasullo & Troisi, 2013: 44; Eraqi, 2006: 469), speed of response (Bielen & Demoulin, 2007: 177; Mador, 2000: 217), ethical orientation (Ahmad, Ramayah, Wilson & Kummerow, 2010: 185; Ciasullo & Troisi, 2013: 44), profit maximisation (Omerzel & Antoncic, 2008: 1196), customer satisfaction (Chitty, Ward & Chua, 2007: 565) and the impact on the natural environment (Tzschentke, Kirk & Lynch, 2004: 116). The effect of the different contextual factors on small tourism enterprise performance may additionally provide useful insights to the interplay between entrepreneur types, entrepreneurial decision-making styles and decision outcomes within uncertain and turbulent environmental conditions. There is no evidence in literature proving or establishing the nature and the extent of the interrelationships between the entrepreneurial types, entrepreneurial decision-making styles and small tourism accommodation enterprise performance within the South African tourism industry context. This research study has therefore attempted to address these gaps in the literature.

Entrepreneurial decision making, entrepreneur types, entrepreneurial strategic orientations and their relationship to the small tourism enterprise performance as key concepts in this study are further clarified in the next few paragraphs.

A questionnaire could therefore be designed and administered to small and micro tourism enterprises in South Africa in order to assess different entrepreneur types, their decision-making styles, strategic orientations and small and micro tourism enterprise performance. For this reason it is firstly important

to define what is regarded as a South African small and micro enterprise before specifying the population and the sample frame for this study.

The South African Small Business Amendment Act, No. 26 (RSA, 2003) distinguishes between micro, very small, small and medium enterprises in 11 sectors of the economy by annual turnover. However, the size of a business in South Africa is mainly defined by the number of its employees. According to this definition, micro businesses have between 0 and 4 employees; very small businesses have between 5 and 9 employees; small business have between 10 and 49 employees and medium businesses have between 50 and 200 employees (TIPS, 2011: 97). This study focused on small and micro tourism accommodation enterprises in South Africa with between zero and 49 employees.

1.1.1. Entrepreneurial decision making

The performance of an enterprise increasingly depends on the decision-making ability of the owner-manager of that enterprise (Brundin & Gustafsson, 2013: 568; Douglas, 2005: 422; Verhees & Meulenberg, 2004: 134). Therefore an understanding of the decision-making capabilities of owner-managers of small tourism enterprises in South Africa and their growth and sustainable tourism enterprise performance requirements (Cleverdon, 2002: 7; Mason, 2006: 241; Sharma & Christie, 2010: 282) is relevant.

However, decision making in a stable environment is different from decision making in a turbulent and fast-changing environment (Kim *et al*., 2006: 284). Decision outcomes, such as enterprise growth and enterprise sustainability, cannot always be predictable and certain in all market conditions because of the interplay between the external market conditions and the entrepreneur's internal decision-making frame of reference.

An entrepreneur has to interpret and manage their own inner self as an internal environment which is in continuous and dynamic interaction with the external environments (Branson, 2007: 477). The environments external to the inner self of the entrepreneur could be regarded as the enterprise environment as well as the market environment (Morrison & Teixeira, 2004: 169). Hence, a significant challenge for an entrepreneur could be the mismatch between "self" and some environmental conditions that could for instance result in errors or failure to achieve the objectives of the enterprise.

The typical entrepreneur is furthermore challenged with time, effort and resource constraints which add to strain and pressure when having to make decisions (Kim *et al*., 2006: 284). The inherent capabilities of entrepreneurs to effectively manage inner conflicts under challenging environmental conditions, for instance fast-changing and unpredictable circumstances, will therefore manifest in

specific decision outcomes. According to Elaydi (2006: 1363) and Omerzel and Antoncic (2008: 1182), decision outcomes are regarded as the impact of a specific strategic orientation that was adopted for enterprise growth or for enterprise sustainability. Furthermore, Elaydi (2006: 1363) mentioned that decisions could be based on mainly cognitive (rational, analytical and logical) or mainly emotive styles, but should ideally comprise a balanced combination of the two.

According to Douglas (2005: 422), the decision outcomes in a business are influenced by the entrepreneur's cognition and behaviour. Wenhong and Liuying (2010: 170) explained how individual experiential systems and rational systems contribute in a complementary way towards different decision outcomes, as shown in Table 1.1 below.

Table 1.1: Rational versus experiential systems

Factor	Item
Experiential system	Reliance on intuitive impressions
	Using gut feelings in figuring out problems
	Intuition is a very useful way to solve problems
	Go by instincts when deciding on a course of action
Rational system	Figuring things out logically
	Having a logical mind
	Think about all the possibilities when facing a choice
	Follow the highest standards, no matter what else

Source: Adapted from Wenhong and Liuying, 2010:170.

Brundin and Gustafsson (2013: 568) claimed that different emotions such as self-confidence, hope and challenge contribute positively to the performance of an enterprise; while emotions such as frustration, embarrassment and strain influence an enterprise's performance negatively. Bryant (2007: 732) added to this assertion by saying that entrepreneurs are more inclined towards making emotive, spontaneous and hasty decisions and that they are inherently biased and error-prone. Furthermore, the argument by McCarthy (2003: 327) that entrepreneurs' decisions could be logically or intuitively grounded, depending upon their personal perspectives in interaction with the environmental conditions, implies that entrepreneurial decision making is not one-dimensional. Entrepreneurial decision making is therefore a multi-dimensional concept based on the different cognitive, emotive and environmental clues influencing enterprise performance. Thus it appears that different entrepreneurial mind frames and emotions in interaction with different environmental conditions determine the effectiveness of the decision outcomes and small tourism accommodation enterprise performance.

Effective decision making from an enterprise perspective could be to achieve the objectives of the enterprise, namely to maintain competitive advantage or to grow the enterprise. The dynamic interplay between "self" and the environmental conditions contributes towards the effective outcomes of an entrepreneur's strategic decision making. However, it is the kind of entrepreneurial decision making that would contribute towards minimising the risks of failing to achieve enterprise objectives. Entrepreneurs can become more effective if they learn to apply certain behavioural and cognitive strategies referred to as self-leadership (Neck & Houghton, 2006: 270). More effective entrepreneurial decision making improves the performance of their enterprises (D'Intino, Goldsby, Houghton & Neck, 2007: 116). High levels of self-leadership are furthermore related to creative and innovative traits (DiLiello & Houghton, 2006: 333), and self-leadership strategies could lead to improved and effective entrepreneurial decision making.

An entrepreneur could therefore possess a combination of cognitive and emotive decision-making styles, but which balance of this combination of decision-making styles contributes to different levels of small accommodation enterprise performance in the South African context? This study has attempted to fill this gap in the literature.

1.1.2. Entrepreneur types

Another important concept this study is arguing is that decision making can differ between types of entrepreneurs. A variety of entrepreneurial types have been described in the literature. Two of these types are those that were identified by Schumpeter and Kirzner respectively (Marcotte, 2014: 43). The Schumpeterian type of entrepreneur creates and innovatively implements new ways of serving market needs (Marcotte, 2014: 43). The Kirznerian entrepreneur is typically more alert to opportunities through a discovery process (Sundqvist, Kylàheiko, Kuivalainen & Cadogan, 2012: 213). The distinguishing features of the Schumpeterian and Kirznerian entrepreneurs are based on differing individual preferences and styles. The differences between these types of entrepreneurs are noticeable in the respective ways that market needs are addressed. Entrepreneurs who are more opportunity alert seem to prefer a market penetration strategy, and the more creatively-/innovatively-orientated entrepreneurs seem to have the preference for market development as a strategy (Sundqvist *et al*., 2012: 213).

Sundqvist *et al*. (2012: 213) claimed that the Kirznerian entrepreneur is more proactive and competitively aggressive and that they outperform the Schumpeterian type of entrepreneur (innovative risk-taker) in stable market conditions. Schumpeterian types of entrepreneurs are found to perform better in dynamic market conditions (Sundqvist *et al*., 2012: 213). An entrepreneur could however possess a combination of creative/innovative (Schumpeterian entrepreneur type) and opportunity

alertness (Kirznerian entrepreneur type) characteristics (Marcotte, 2014: 43), but which balance of this combination of characteristics contributes to different levels of small tourism enterprise performance in the South African context? The two types of entrepreneurs also seem to have distinctly different ways of making decisions. Therefore, what is the typical decision style of the respective entrepreneur types? This study has also attempted to fill this gap in the literature.

1.1.3. Entrepreneurial strategic orientations

Different market conditions (environmental circumstances) require different strategies in order to contribute towards effective enterprise performance (Sin, Tse, Yau, Chow & Lee, 2003: 910). Stable market conditions benefit entrepreneurs with opportunity recognition qualities more than those with dominant creative or innovative qualities. The more creative and innovative entrepreneur has better successes in turbulent market conditions (Sundqvist *et al*., 2012: 213). Craig and Johnson (2006: 30) view the Kirznerian entrepreneurial concept as a market-oriented approach based on its emphasis of the aggressive competitive style. In this context, Carsrud and Brànnback (2007: 11) attribute the market-orientated behaviour to the performance of careful and well-considered market analysis by such individuals. The Carsrud and Brànnback (2007: 11) view of the Kirznerian entrepreneur is therefore based on the exemplified rationality of the entrepreneur as opposed to the Schumpeterian view of the entrepreneur with more creative and innovative capacities. The latter is usually associated with higher intuitive (emotive) involvement, according to Dane and Pratt (2007: 38-39).

Table 1.2: Entrepreneurial profile preferences

Schumpeterian entrepreneur	Kirznerian entrepreneur
• Creative and innovative • Risk-taker • Intuitive and quick responding • Knowledge and experience-based decision making • Develops new markets • Market leaders • Performs best in dynamic market conditions	• Opportunity recognition and exploitation • Proactive and competitively aggressive • Penetrates existing markets • Performs best in stable market conditions • Market challengers • Market orientated • Rational and logical thinking

Sources: Compilation from Carsrud and Brànnback, 2007; Dane and Pratt, 2007; Marcotte, 2014; Sin, Tse, Yau, Chow and Lee, 2003; Sundqvist, Kyläheiko, Kuivalainen and Cadogan, 2012; Tse, Sin, Yow, Lee and Chow, 2004.

Entrepreneurs may adopt different strategic orientations in their efforts to maintain competitive advantage or to grow their enterprises. One option could be to focus on market intelligence by

gathering information about customers and competitors and to disseminate it amongst all employees in order to coordinate and collaborate towards achieving enterprise objectives (Akbari & Safarnia, 2012: 500). Another option might be to rather focus on establishing and maintaining good relationships with customers with the aim to convince existing customers to become loyal customers (Alrubaiee & Al-Nazer, 2010: 157). These different options are strategic orientations that are referred to as either market-orientated or relationship marketing-orientated approaches respectively (Tse *et al*., 2004: 1168). Market orientation is regarded as a strategic orientation which is associated with the high competitive behaviour of market challengers (Tse *et al.*, 2004: 1168). Relationship marketing orientation on the contrary is a strategic orientation which is associated with market followers and market nichers (Tse *et al.*, 2004: 1168). The opportunity discovery or opportunity recognition and exploitation characteristics of the Kirznerian entrepreneur as described by Craig and Johnson (2006: 30) and Tse *et al*. (2004: 1168) could therefore be characterised as market challengers. Likewise, the Schumpeterian entrepreneur with higher levels of creativity and innovation characteristics could be associated with characteristics of market leaders.

If Agarwal, Erramilli and Dev (2003: 69) claim that higher levels of innovation (according to the Schumpeterian entrepreneurial profile) are related to a market-focused orientation and Sundqvist *et al.* (2012: 213) propose a link between proactive and higher competitive aggressiveness (according to the Kirznerian entrepreneurial profile) to market orientation, it suggests that market orientation is related to both entrepreneurial profiles under certain conditions. This could be possible for market leaders as Tse *et al*. (2004: 1168) stated, but it was found not to be applicable to market challengers and market followers. This suggests that Kirznerian and Schumpeterian entrepreneurial types may coexist and co-perform under certain conditions. It further follows that Kirznerian entrepreneurs prefer rational and logical thinking and perform better in stable market conditions and that the more intuitive Schumpeterian entrepreneurs perform better in dynamic or turbulent market conditions. For the purpose of this research study, these aspects in the literature were further investigated and in this dissertation are clarified within context of the South African small tourism accommodation entrepreneur.

1.1.4. Small tourism enterprise performance

The vital decision-making roles and goal achievement intentions of the owner-manager have a significant effect on business performance or sustainability of the small enterprise (Ligthelm, 2010: 150). Small tourism enterprise performance could be assessed from more than one perspective, for instance, objectively or subjectively (Akbaba, 2012: 185).

Objective performance criteria are generally preferred, but since owner-managers of small enterprises are often hesitant to reveal the exact objective enterprise performance figures to third parties, self-reported subjective performance criteria are used to evaluate small enterprise performance (Wijewardena, Nanayakkara & De Zoysa, 2008: 155). Objective small tourism performance criteria could for instance include the exact number of customers, occupancy rate, or customer spending (Jogaratnam & Tse, 2006: 454; Wood, 2002: 201). Subjective small tourism performance criteria, on the contrary, could for instance reflect the owner-manager's perception of the relative changes to the number of customers, occupancy rate, or customer spending over a specified period (Wijewardena *et al*., 2008: 155; Jogaratnam & Tse, 2006: 454; Wood, 2002: 201).

This study argues that the number of customers or tourists that support an enterprise would be a good indicator of the value proposition of the business. A further indicator of enterprise performance is to distinguish between the total number of customers and the number of loyal or repeat customers of the business. The rationale is that a high proportion of loyal customers would be indicative of customer satisfaction. Alternatively, if the variation in the number of loyal customers is higher than the variation in the total number of customers, it could indicate some dissatisfaction with the enterprise's value proposition. However, if the numbers of customers increase, but the cost increases are higher, it would impact negatively on the profitability of the enterprise. Therefore, performance indicators such as customer spending, sales revenue, and total costs and profit margin should also be part of the bouquet of performance measures in order to assess enterprise performance more holistically. Since enterprise growth is associated with employment creation, it is furthermore argued that the number of employees and employee costs would additionally provide a much more balanced assessment of enterprise performance.

This study therefore argues that the following small tourism enterprise performance indicators could assess accommodation enterprise performance more holistically:

- Number of customers
- Customer spending
- Profit margin
- Number of employees
- Number of loyal customers
- Sales revenue
- Total costs
- Employee costs.

The above-mentioned small tourism performance indicators were therefore selected by this study to assess small tourism accommodation enterprise performance.

1.1.5. Decision context

Entrepreneurs' preferences or priorities according to their own mental model's frame of reference influence decision choices (Gordon & Schaller, 2014: 15; Marcotte, 2014: 42-43). These preferences or priorities therefore provide context for an entrepreneur's decision making. This study refers to these individually perceived priorities as decision context variables.

The triple bottom line (TBL) concept refers to the enterprise's ability to manage the "people-planet-profit" trilogy responsibly and effectively (Slaper & Hall, 2011). Aspects that are related to TBL from a "people" perspective may involve a quality orientation (Mendes & Lourenco, 2014: 694), an ethical orientation (Dincer & Dincer, 2013: 178), and a customer service orientation (Sutton, 2015: 302). A "planet" perspective of the TBL may include a sensitivity to sustain or protect the natural environment, especially from a tourism enterprise's point of view (Svensson & Wagner, 2015: 209). Simpson, Padmore and Newman (2012: 273) asserted that the growth or profitability of a small tourism enterprise does not always define enterprise success or performance, because small tourism enterprises generally have a range of other goals that they pursue. Some of these other goals could be lifestyle preferences or a survivalist attitude where profit is less important (Morrison, 2006: 194; Murphy & Kielgast, 2008: 91). The "profit" motive of a small tourism entrepreneur, from a TBL perspective, is therefore a relevant decision context consideration. Lastly, the "speed of service" perspective is an important consideration which could be linked to enterprise performance (Yang & Liu, 2012: 1022) and it should therefore be considered from a decision context point of view.

This study therefore argues that small tourism enterprise performance is related to the small tourism entrepreneur's decision context prioritisation. The following decision context variables were considered for the purpose of this study:

- Quality orientation
- Ethical orientation
- Customer service orientation
- Profit orientation
- Sustainable natural environment orientation
- Speed of response perspective.

Based on the discussions in subsections 1.1.1 to 1.1.5, the conceptualised interrelationships between entrepreneur types, decision styles, strategic orientations, decision contexts and small tourism accommodation enterprise performance, are illustrated schematically in Figure 1.1. Demographic variables in Figure 1.1 illustrate how control variables interrelate to the main constructs as described in the preceding subsections.

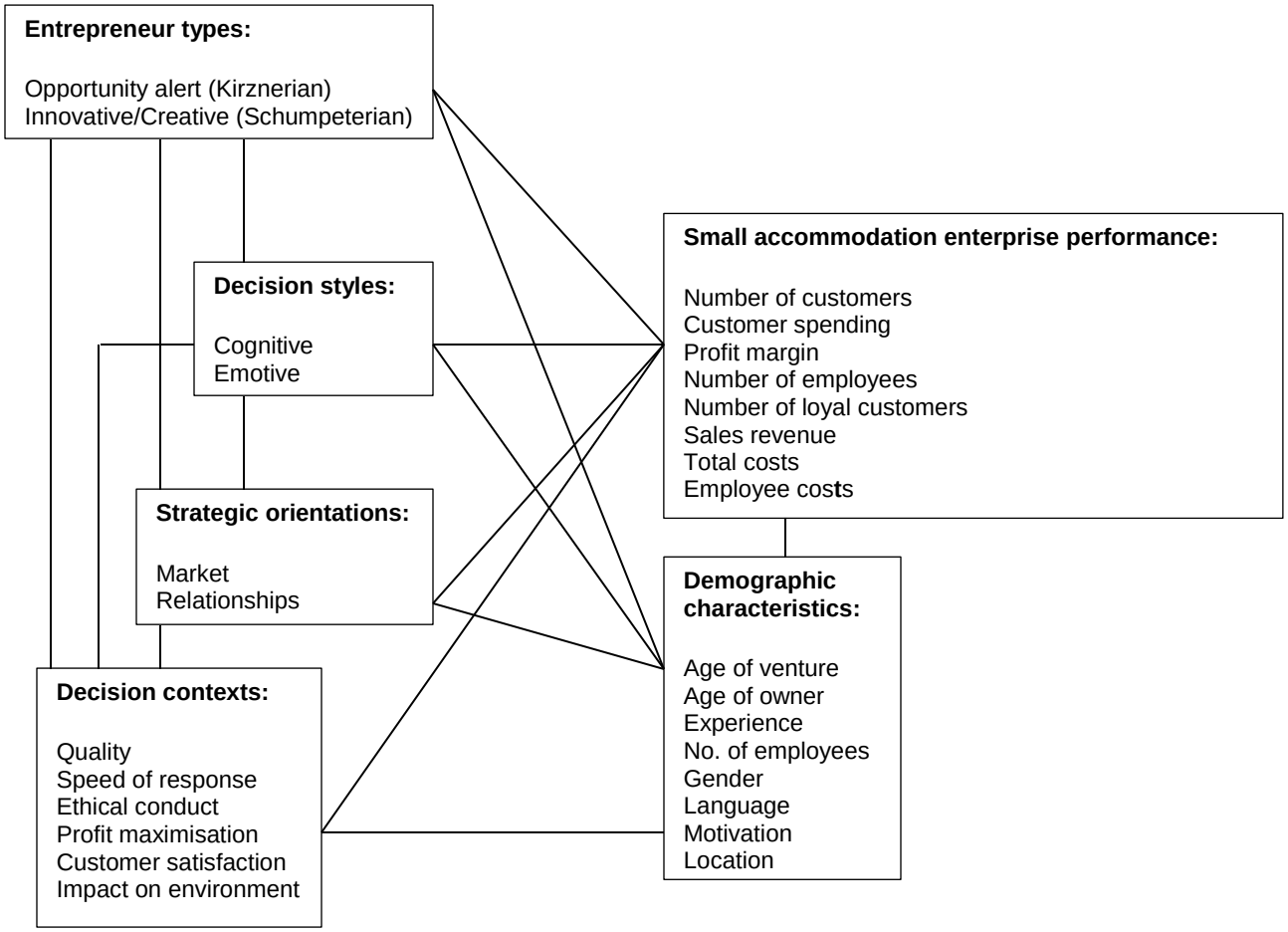


Figure 1.1: Model of interrelationships

There is a multiplicity of individual-level differences when entrepreneurs analyse and interpret the different environmental clues in order to make decisions (Craig & Johnson, 2006: 28; Douglas, 2005: 423). Hence, the entrepreneur's decision-making style and type have an influence on the outcome of the enterprise performance. Therefore, what are the decision-making style and type of the typical South African small tourism accommodation entrepreneur, and how do the entrepreneurial decision-making style and type relate to small tourism accommodation enterprise performance in South Africa? The different decision contexts moderate the entrepreneurial decision-making style and the entrepreneurial type's respective relationships with small tourism accommodation enterprise

performance (Brundin & Gustafsson, 2013). Therefore, how do the decision contexts influence the respective relationships between entrepreneur type and entrepreneurial decision-making style within the South African small tourism accommodation enterprise?

Entrepreneurial style and type additionally influence the choice of strategic orientation that is adopted by the entrepreneur. The specific strategic orientation which is preferred by entrepreneurs with different decision-making styles and types furthermore influences small enterprise performance (Akbari & Safarnia, 2012: 500). Hence, what is the typical strategic orientation preferred by different entrepreneurial decision-making styles and entrepreneur types in the South African small tourism accommodation enterprise?

Entrepreneurs who are in the tourism accommodation business for lifestyle preferences are enjoying the positive associations of tourism-related employment flexibility and being owner of a cash-flow generating enterprise, amongst others. Entrepreneurs with survivalist motivations are mostly only concerned with the meeting of minimum requirements to cover basic financial needs for instance. These latter two categories of tourism accommodation entrepreneurs are less likely to manage their businesses in order to achieve growth or to generate employment opportunities for others. Thus, from an entrepreneurial preference point of view, small tourism accommodation enterprise performance would be different depending on a survivalist, lifestyle or growth-orientated entrepreneurial choice of preference. Hence, what motivates the typical South African small business entrepreneur to operate an accommodation enterprise in the tourism industry?

It is evident from the discussions above that there are differences in decision outcomes (small tourism accommodation enterprise performance) amongst different entrepreneurial decision-making styles (cognitive and emotive influences) and entrepreneur types (creative/innovative style or opportunity recognition and exploitation styles) respectively, and that the choice of the preferred strategic orientation (market orientation and relationships orientation) individually or collectively influences small tourism accommodation enterprise performance. Additionally, some decision contexts (service quality, speed of service, profit maximisation, ethical orientation, customer service and natural environmental sensitivity) moderate the relationships between entrepreneurial decision-making style, entrepreneur type, preferred strategic orientation, and small tourism accommodation enterprise performance.

Based on the vital role of the human as entrepreneur and decision maker (Ligthelm, 2010: 150) in enterprise performance and given that there were different types of entrepreneurs identified (Marcotte, 2014: 43), this study argues that different entrepreneur types could potentially be associated with different decision styles leading towards different strategic orientations which could potentially result in

different levels of small accommodation enterprise performance. This study furthermore argues that different entrepreneur types, decision styles and strategic orientations as collaborative determinants of small accommodation enterprise performance could potentially be moderated by different decision contexts and the demographic characteristics of the entrepreneur as main decision maker.

1.2. RESEARCH PROBLEM

Wealth creation, economic growth and the generation of employment opportunities depend on enterprise performance and subsequent enterprise growth. It was argued in the preceding sections, how entrepreneurial types, decision styles, strategic orientations, decision context and demographic variables contribute towards enterprise performance. There is however no evidence in the existing literature on how this combination of variables, as a complex model, contributes towards small accommodation enterprise performance in the formal sector in South Africa. These determinants or co-determinants that could potentially lead to wealth creation, enterprise growth and subsequent employment generation need to be empirically tested to determine the effect of each of these on one another. This gap existing in the literature was examined by this study.

There is no single measurement instrument available that could assess small accommodation entrepreneur types, decision styles, strategic orientations, decision context, demographic variables and enterprise performance. Hence, there is a need to develop a valid and reliable measurement instrument in order to empirically assess the nature and the extent of the interrelationships between these mentioned constructs. The present study investigated this void.

Due to this lack of a relevant measurement instrument that could assess the described constructs as well as the lack of evidence in the literature about which of these determinants contributes towards small accommodation enterprise performance in the formal sector in South Africa, this study aimed to examine this.

1.2.1. Main research question

The main question that had to be answered by this study therefore is: What are the nature and the extent of the interrelationships between entrepreneur types, entrepreneur decision styles, strategic orientation preferences, decision context prioritisation, demographic characteristics as determinants of small accommodation enterprise performance within the South African context? This study regards the typical small accommodation enterprise entrepreneur as the main decision-maker of the enterprise (Brundin & Gustafsson, 2013: 568; Douglas, 2005: 422; Verhees & Meulenberg, 2004: 134) and as such an important contributor to enterprise performance.

The main research question could also be reformulated as sub-questions as follows:

- A small accommodation enterprise entrepreneur possesses a combination of cognitive and emotive decision-making styles, but what are the relationships between these complementary decision styles and small tourism enterprise performance within the South African context?
- A small accommodation enterprise entrepreneur additionally possesses a combination of creative/innovative and opportunity alertness characteristics, but what are the relationships between these different entrepreneur characteristics and small tourism enterprise performance within the South African context?
- A small accommodation enterprise entrepreneur furthermore may have a preference for applying a market-oriented or a relationships-oriented strategic approach (or a combination of the two), but what are the nature and the extent of these relationships between the two different strategic orientations and small tourism enterprise performance within the South African context?
- What are the relationships between the South African small accommodation enterprise entrepreneur's decision context priorities and small tourism enterprise performance?
- What are the demographic characteristics of South Africa's small accommodation enterprise entrepreneurs and what are the nature and the extent of the relationships between these demographic profiles and small accommodation enterprise performance?
- Could a model be developed to explore the predictive relationships between entrepreneur type, decision style, strategic orientation and small accommodation enterprise performance?

1.3. OBJECTIVES OF THIS STUDY

This study aimed to do the following:

- Explore the demographic profiles and decision context priorities of South African formal small accommodation enterprise entrepreneurs.
- Develop a reliable and valid measurement instrument in order to explore the inter-relationships between entrepreneur types, decision styles, strategic orientations, decision context, demographic characteristics and small accommodation enterprise performance.
- Empirically investigate and model the relationships between entrepreneur types, entrepreneur decision styles, strategic orientations, decision context variables and demographic variables as collaborative determinants of formal small accommodation enterprise performance within the South African context.

1.4. RESEARCH HYPOTHESES

According to Wegner (2007: 257), hypothesis testing is a rigorous statistical process of testing how close a sample statistic is to a hypothesised population parameter. Hypothesis formulation is done by formulating two mathematical statements; the one is called the null hypothesis (expressed as H_0) and the other is called the alternative hypothesis (expressed as H_1). The null hypothesis states that there is no relationship between two variables (or two sets of variables) and the alternative hypothesis states that there is a relationship (positive or negative) between two variables (or two sets of variables). The hypothesis testing process seeks to either accept or reject the null hypothesis by means of statistical or mathematical techniques. If the null hypothesis is supported, the alternative hypothesis is rejected and *vice versa* (Wegner, 2007: 259).

The generic null and alternative hypotheses as applied to this study therefore are:

- H_0: there is no relationship between the two listed concepts (see lists below).
- H_1: there is a relationship between the two listed concepts (see lists below).

This study aimed to determine whether there are significant relationships/associations between the following concepts (or not):

- The different demographic variables and entrepreneur types, decision styles, decision context, strategic orientations and small tourism accommodation enterprise performance;
- The decision context preferences and entrepreneur types, decision styles, strategic orientations and small tourism accommodation enterprise performance;
- The entrepreneur types and decision styles, decision context, strategic orientations and small tourism accommodation enterprise performance;
- The strategic orientation and small tourism accommodation enterprise performance.

1.5. RESEARCH METHODOLOGY

This study applied an electronic survey methodology to collect data, mainly because it is more cost efficient and relatively quick to administer. However, social research surveys are known to have low response rates (Bryman, Bell, Hirschohn, Dos Santos, Du Toit, Masenge, Van Aardt & Wagner, 2014: 194). According to Bryman *et al.* (2014: 194), the low response rate is problematic if a probability sampling method is applied, because it could not be regarded as representative of the population under investigation.

This study applied a quantitative approach based on a positivist research paradigm. A measurement instrument was consequently developed and administered to determine the nature and the extent of the interrelationships between the small entrepreneurial profiles of small accommodation enterprises (possessing cognitive/emotive decision-making styles and creative/innovative versus opportunity alertness entrepreneurial characteristics); decision-making context priorities; preferred strategic orientations; demographic characteristics and small accommodation enterprise performance in South Africa.

The Bed and Breakfast Association of South Africa (BABASA) estimated that there are approximately 20 000 small accommodation enterprises in South Africa (Hamm, 2014). Less than half of accommodation enterprises are formally registered and pay tax (Stats SA, 2013). There is, however, no complete database of small tourism accommodation enterprises that distinguishes between formal and informal enterprises in this industry. Furthermore, there is no single database containing all the formally registered small accommodation enterprises within South Africa. In this context, Rogerson (2004: 765) noted that available tourism data in South Africa is in a weak state and that it complicates research in this domain. For that reason, this study made use of information retrieved from the 278 local municipalities in South Africa. Each of the mentioned municipalities administers the details of formally registered accommodation enterprises within their respective jurisdictions (sample frame). A total of 4715 contacts (the sample frame for the purpose of this study) of small accommodation enterprises were obtained from the mentioned municipalities.

A measurement instrument was developed based on a comprehensive literature review which covered the specified domains. Content, criterion and construct validity were determined as well as the reliability of the constructs.

Nominal data (gender, language, qualifications, province, and motivation to be in business) and ratio/interval data (age of the venture, age of the owner-manager, years of experience in the tourism industry, and number of employees) was obtained by means of various question types and ordinal data (decision style, entrepreneur types, strategic orientations and small accommodation enterprise performances) was collected by means of Likert rating scales. Reliability and exploratory factor analysis on Likert scale data describing entrepreneurial decision style, entrepreneur types, and strategic orientations determined the underlying factors onto which the respective items were loaded. Descriptive statistics (measures of centrality and dispersion) and inferential statistical techniques (hypotheses testing, analyses of variance, regression/correlation and partial least squares equation modelling) were applied to define and describe the nature and the extent of the interrelationships and associations between the different data types and constructs.

1.6. LIMITATIONS AND DELIMITATIONS

This was a cross-sectional study and it had limitations in terms of the longitudinal effects of continuously changing market environments on entrepreneur cognition, emotion and decision making and therefore also on enterprise performance. The responses to the survey questionnaire were subjective and, despite the correlations between subjective and objective performance measurement criteria, this study is limited to the perceptions of respondents within a time contextual framework.

There is no complete database of small tourism accommodation enterprises in South Africa. Despite the efforts by this study to obtain an appropriately large enough and representative sampling frame from the 278 municipalities, the obtained sampling frame may not be absolutely representative of the typical small tourism accommodation entrepreneur in South Africa. The empirical findings of this study could be generalised to those members of the population sharing the same characteristics with the sample that was investigated.

The scope of this study was limited to small accommodation enterprises in the formal sector in South Africa and it therefore excluded accommodation enterprises in the informal sector.

1.7. SIGNIFICANCE OF THIS STUDY

This study has generated knowledge and understanding about small enterprise entrepreneurs in the tourism accommodation industry in South Africa. The results guide policy development and implementation, but most importantly this information also assists with the identification of specific training and education needs of small accommodation enterprise entrepreneurs in South Africa. The needs for continuous South African tourism policy development and improvement as well as the need for regulation of the industry, from a policy point of view, are well recorded and motivated by previous studies (Rogerson, 2004:765; Rogerson, 2008: 61; Saayman & Geldenhuys, 2003: 83).

The research findings of this study can be used for curriculum development on primary, secondary as well as on tertiary education levels. Entrepreneurs could also orientate themselves and their employees and benefit from the main findings of this study.

The findings of this study could therefore guide:

- Entrepreneurial profiling in order to emphasise and strengthen or develop appropriate psychological and behavioural habits related to the identified entrepreneur types (Kirznerian or Schumpeterian).
- Supportive cognitive development techniques in order to develop creative thinking patterns.

- Development and training of entrepreneurs on efficient internal and external environmental scanning techniques in order to manage high quality and continuous information streams which are necessary for strategy formulation and implementation.
- Appreciation, understanding and the management of the main determinants of small tourism accommodation enterprise performance.

1.8. STRUCTURE OF THE STUDY

The content of this dissertation is presented in five chapters. This section provides a short overview of each chapter.

- **CHAPTER 1: INTRODUCTION AND STATEMENT OF THE PROBLEM**

This chapter presents arguments about the respective and collaborative influences of entrepreneurial decision-making styles and entrepreneurial types on strategic orientations and eventually on small tourism enterprise performance. The chapter discusses the relevance of the relationships or associations of some identified decision context variables and demographic variables on tourism entrepreneurs as decision-makers and small tourism enterprise performances. The gaps in the literature are identified, namely the undefined interrelationships between entrepreneurial decision-making styles; entrepreneurial types; strategic orientation preferences by tourism entrepreneurs; and small tourism enterprise performance within the South African context. Previous research, existing theoretical positions, and some practical small tourism enterprise problems are collectively considered in deriving the formulated research problem for this study. Study objectives and research hypotheses are formulated whilst also considering some limitations and delimitations in the study. The value and significance of this study towards the field of knowledge are provided. An overview is presented of the research methodology adopted for this study, followed by some concluding comments.

- **CHAPTER 2: LITERATURE REVIEW**

The literature review chapter presents discussions on the key definitions and the concepts describing the entrepreneur and entrepreneurship with specific reference to entrepreneurial decision-making systems and processes and entrepreneurial profile types. The relevant theories pertaining to the field of entrepreneurship and the entrepreneur as individual are evaluated through a process of comparing and contrasting the different propositions in literature. The interrelationships between entrepreneurial decision making and different entrepreneurial types are critically analysed and the respective influences of this interplay examined on strategic choice and small tourism enterprise performance. The moderating influences of some identified decision variables and relevant demographic factors on

small tourism enterprise performance are furthermore analytically evaluated. A variety of variables that describe subjective and objective tourism enterprise performance are considered and discussed.

- **CHAPTER 3: RESEARCH METHODOLOGY**

This chapter presents a more detailed description of the research philosophy, research design and research methodology as they were applied for this study. The sample details are presented and characterised relative to the demographic parameters mentioned above. The development of the measurement instrument is discussed. Issues relative to validity and reliability of the developed measurement instrument are motivated and discussed, and the statistical analyses techniques are dealt with in detail.

- **CHAPTER 4: EMPIRICAL RESULTS**

This chapter provides all the detailed empirical results for this study. Descriptive and inferential statistics are presented.

- **CHAPTER 5: SYNOPSIS, CONCLUSIONS AND RECOMMENDATIONS FOR FUTURE STUDIES**

This is the final chapter of the dissertation and presents the interpretations, conceptualisations and conclusions relative to the aims of this research study, and makes recommendations for improvements or future studies in this domain.

1.9. CONCLUSION

This chapter has presented the problem and its setting. The entrepreneurial decision-making preferences and profiles have been conceptually related to strategic decision making and small tourism enterprise performance within the South African tourism context. Moderating effects of some identified decision context variables and some demographic variables were presented.

The problem statement and research questions, as well as the study objectives and research hypotheses were offered. An overview of the research methodology and the format of remaining chapters were described.

The next chapter presents a comprehensive literature review which covers all the mentioned concepts and their proposed interrelationships with one another.

CHAPTER 2
LITERATURE REVIEW

2.1. INTRODUCTION

Chapter 1 has argued that entrepreneurial decision making influences enterprise performance in a variety of ways. Different entrepreneur types exhibit different styles and preferences when making decisions and it is argued that these different styles and preferences are to modify enterprise performance. Decision outcomes are also context dependent. Hence the inter-relationships between relevant context variables and entrepreneurial types, and their decision making and enterprise performance were therefore explored and discussed in Chapter 1.

This chapter presents discussions on the theoretical underpinnings of the study. It is organised into different sections starting with “Entrepreneurial decision making”, followed by “Entrepreneur type”, “Decision context”, “Strategic orientations”, “Entrepreneur and enterprise system context”, and lastly “Small tourism enterprise performance”. These various concepts are dealt with in this chapter, and their theoretical relationships are explored further.

The “Entrepreneurial decision making” section presents an overview of decision-making literature with emphasis on cognitive and emotive decision-making profiles of entrepreneurs. The “Entrepreneur type” section covers theories and perspectives of entrepreneurship with specific reference to the distinguishing characteristics between the Schumpeterian and Kirznerian entrepreneur types. The “Decision context” section presents arguments and opinions covering the respective influences of different contextual variables on decision outcomes. The section on “Strategic orientations” discusses what the market orientation and relationship marketing orientation concepts are and how these orientations could moderate small enterprise performance under different market conditions. The “Entrepreneur and enterprise system context” section presents an overview of the systems theory and its relevance to the different systems as identified by this study. Finally, the section on “Small tourism enterprise performance” presents variations of the tourism value chain concept and compares and contrasts a variety of tourism enterprise performance measures.

An *a priori* model which highlights the theoretically identified interrelationships between some key antecedents, moderating variables, and small tourism enterprise performance is presented before concluding this chapter with an overview of research philosophical opinions.

2.2. THE DEVELOPMENT OF ENTREPRENEURIAL THOUGHT

This section presents an overview of the history of entrepreneurship by highlighting some entrepreneurship concepts with definitions and descriptions of various contributions by selected theorists, all on a timeline since the early 1700s. This illustrates how the study domain of entrepreneurship has developed over time and assists the reader to appreciate the contemporary thinking in this regard. The main entrepreneurship theories that apply to this study are presented to provide further context to this discussion.

Entrepreneurship is a multifaceted concept with various explanations that are described and defended in the literature today. Various definitions of entrepreneurship were formulated by theorists since Richard Cantillon's first theory of entrepreneurship in 1725 (Chen, Weng & Hsu, 2010: 28). Cantillon referred to an entrepreneur as someone who is self-employed and who bears risk when buying goods at certain (lower) prices and selling them again at uncertain (higher) prices (Chen *et al.*, 2010: 28). The main feature of the Cantillon entrepreneur is therefore the concept of uncertainty (Iversen, Jørgensen, Malchow-Møller & Schjerning, 2005: 4). Jean-Baptiste Say extended this view of the entrepreneurial task by describing the entrepreneur as an agent of production in the economy (Barreira, 2012: 7; Iversen *et al.*, 2005: 4). Say additionally regarded the principal quality of an entrepreneur as the capacity to make sound judgments (Iversen *et al*., 2005: 4). The contributions of Cantillon and Say are categorised as part of the classical period in entrepreneurial development (Barreira, 2012: 6). It is during this classical period that Cantillon's idea about supply and demand as well as that of short-term prices restored the emphasis of the role that the entrepreneur plays in an economy (Barreira, 2012: 9). Murphy, Liao and Welsch (2006: 15) referred to the classical period as the "prehistoric" period (see Figure 2.1 in this regard).

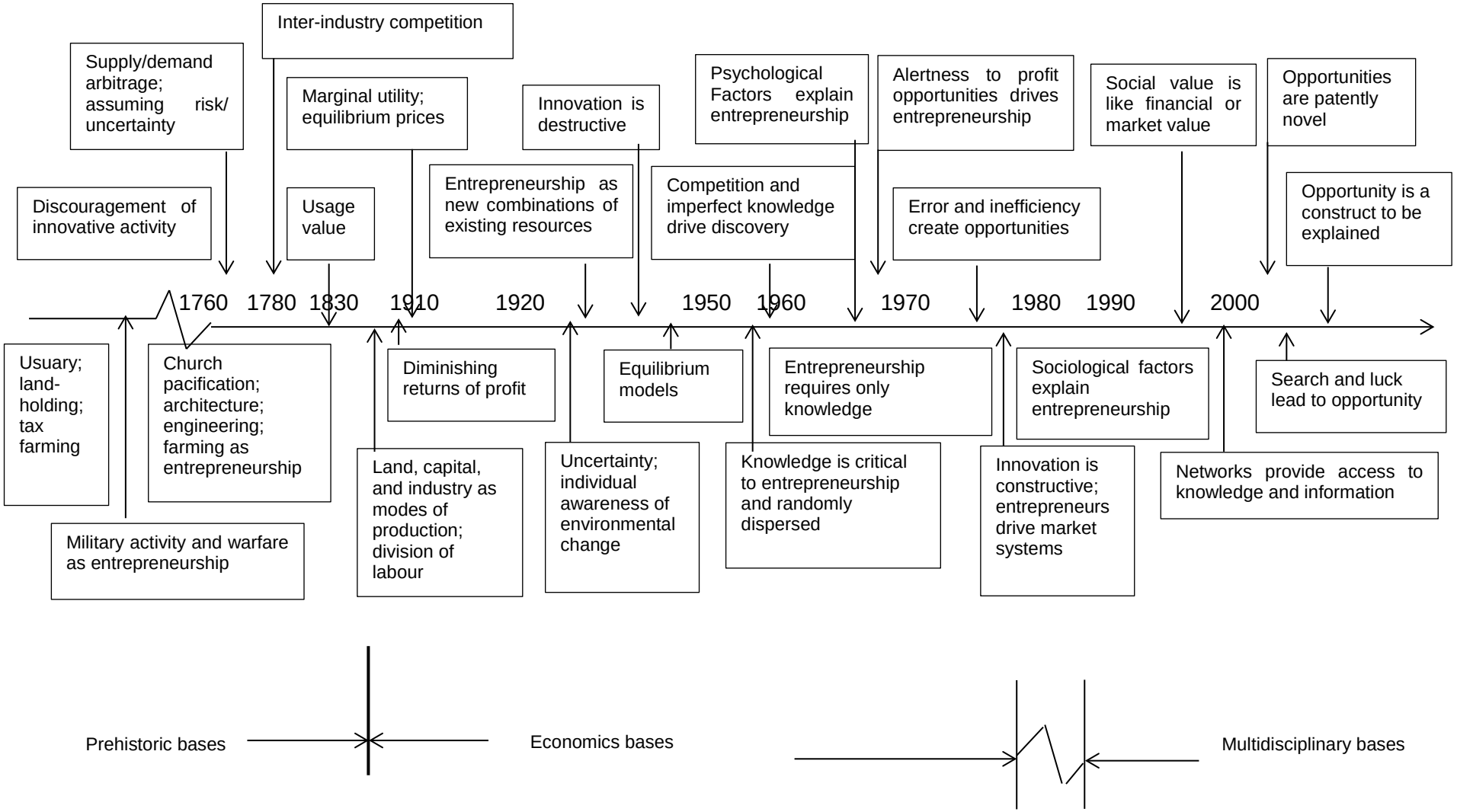


Figure 2.1: An illustrated conceptual history of entrepreneurial thought

Source: Adapted from Murphy, Liao and Welsh, 2006:15.

Joseph Schumpeter's views of the entrepreneur as an innovator opposes those of Cantillon and Say who regarded the entrepreneur as being a risk-bearer or a manager of production respectively (Iversen *et al*., 2005: 5). Schumpeter formulated his ideas during the early twentieth century and therefore his view is from the "economic" period (see Figure 2.1). During the economic period most entrepreneurship theorists were practising economists and they therefore defined and described entrepreneurship mainly from an economic point of view (Murphy *et al.*, 2006).

Frank Knight, who also originates from the economic period, claimed that entrepreneurial functions include:

- leadership in changes and innovations;
- adaptation to these changes; and
- risk-bearing in unforeseen events (Iversen *et al.*, 2005: 6).

The main difference therefore between the views of Schumpeter and that of Knight is based on the aspect of "uncertainty". The risk-bearer according to the views of Schumpeter is "the banker", but according to Knight the owner of the business carries the risk or uncertainty (Iversen *et al*., 2005: 6). Therefore a Schumpeterian type of entrepreneur creates opportunities through a process of "creative destruction" which means that opportunities for profit realisation are created through a process of the recombination of resources. According to Knight however, the mere fact that one is an owner of a business whilst also the bearer of all the risks, qualifies the individual to be an entrepreneur (Iversen *et al.*, 2005: 7).

In 1973, during the economic period, Israel Kirzner emerged with an alternative but yet balancing notion, opportunity alertness, as a key attribute of the entrepreneur (Marcotte, 2014: 43). Kirzner (2009) later insisted that his views of entrepreneurial "opportunity alertness" should be seen as complementary to the Schumpeterian view of the entrepreneur as an innovator. Considering this context, Marcotte (2014: 45) questioned whether these concepts could exist as mutually exclusive concepts, or complementary to each other.

During the current modern era of entrepreneurship research, also referred to as the "multi-disciplinary period" (see Figure 2.1), Shane and Venkataraman (2000) extended Kirzner's views on the concept of opportunity-based entrepreneurship. Shane and Venkataraman (2000) focused their research on the antecedent factors of opportunity alertness as well as on the cognitive processes involved with the discovery, evaluation and exploitation of entrepreneurial opportunities (Marcotte, 2014: 45). Sarasvathy, Dew, Velamuri and Venkataraman (2010) expanded on this approach with their focus on the relationships between opportunity creation and entrepreneurship. Chen *et al.* (2010: 28) in this context reported that recent studies in entrepreneurship also focused on how entrepreneurs start or create a new business. According to this perspective, entrepreneur

personalities and behavioural traits are considered as key contributory aspects to entrepreneurial success.

According to Kropp, Lindsay and Shoham (2008: 104), the most important entrepreneurial personalities and behavioural traits are:

- autonomy
- innovativeness
- risk-taking
- pro-activeness
- competitive aggressiveness.

The above-mentioned characteristics were originally conceptualised by Lumpkin and Dess and are generally referred to as Entrepreneurial Orientation (Kropp *et al*., 2008: 104). The Entrepreneurial Orientation (EO) concept has been widely used in entrepreneurship research since the 1990s (Bouchard & Basso, 2012: 221; Kropp *et al*., 2008: 104). The entrepreneur, according to the EO concept, is typically autonomous with a preference to function without external support and who is proactively prepared to take risks by implementing novel solutions to customers' perceived needs. This type of entrepreneur also competes aggressively with competitors for market share and dominance (Bouchard & Basso, 2012: 221; Kropp *et al*., 2008: 104).

However, scholars lately focus on two broad approaches in studying entrepreneurship, namely the psychological and sociological approaches. These approaches indicate how age, level of education, the influence of status, gender, and familial history of the entrepreneur influence entrepreneurial performance. Autonomy, flexible working environment, experience, high need for achievement, locus of control, self-efficacy, high tolerance for ambiguity, and a low need for conformity furthermore add to the psychological and sociological distinguishing criteria of performing entrepreneurs (Chen *et al.*, 2010: 29-30). This broad approach to the study of entrepreneurship however makes it difficult or even impossible to arrive at a universal definition for entrepreneurship. Deriving at a single explanatory definition for entrepreneurship is additionally complicated by the expanding fragmentation of entrepreneurship theories today (Anderson, Dodd & Jack, 2012: 960). Anderson *et al.* (2012: 962) have ascribed this fragmented situation to differences in social constructions of the entrepreneurship concept due to different frames of references by different professionals or individuals. Anderson *et al*. (2012: 962) furthermore argued that entrepreneurship is about "…the connections to, and between, processes, people and places…" and that "…entrepreneurship is about becoming…", therefore indicating that entrepreneurship "…is boundary spanning, and connecting, a phenomenon of relatedness". Anderson *et al*. (2012: 966-967) called for a revised entrepreneurship ontology and epistemology

based on theories that would accommodate complexity, holism, relatedness, interdependence, and connectivity. Systems theory, complexity theory, and chaos theory are therefore theories that would be able to further unravel the dynamics and add to the understanding of the entrepreneurship phenomenon (Anderson *et al.*, 2012: 964). Therefore, given that the first theories of entrepreneurship were based on economic theory, it is necessary to consider these earlier theories to appreciate the contemporary developments in entrepreneurship theory.

Classic economic theory is still regarded by some scholars as the most dominant theory in entrepreneurship (Wang *et al.,* 2013: 250), but it does not explain all the dimensions that are currently explored in the entrepreneurship literature. Neoclassical economic theory is a deviation of the classic economic theory, because it has more of an entrepreneurship focus by emphasising the following aspects (Barreira, 2012: 11; Murphy *et al.,* 2006: 21):

- Entrepreneurial decisions, including those about resource allocations, are subjective decisions.
- The concept “diminishing marginal utility” guides entrepreneurial decision making.
- Price differentials in the market highlight arbitrage opportunities.
- The domain of entrepreneurship includes novel markets, production methods, raw material sources, and organisations.
- Entrepreneurs create and react to changes in the market environments.

From one of the neoclassical economic theories’ focus areas, namely decisions regarding resource allocations, emerged the resource-based theory. Resource-based theory posits that the internal enterprise resources are more important than the external environmental influences when creating and maintaining a sustainable competitive advantage on enterprise level (Andersson, 2011: 631; Crema, Verbano & Venturini, 2014: 14; David, 2011: 128). However, a theory that opposes the resource-based view, namely the industrial organisation theory, provides a contra-argument which states that the external industry elements are more important than the internal enterprise factors in the quest for competitive advantage (Crema *et al*., 2014: 14; David, 2011: 95). The resource-based and industrial organisation theories both have a focus on enterprise competitive advantage and could therefore be regarded as strategic entrepreneurship theories.

The “open innovation” paradigm is also a relatively new theory in the small enterprise strategy literature. Due to the complexity and the contemporary increasing speed of technological innovation, the opportunities and methods of communication have increased meaningfully to the extent that more “open” collaborations amongst enterprises and individuals are possible today (Crema *et al*., 2014: 15). This theory is therefore about the enablement of intensified inter-stakeholders' communication through technology. Technology facilitates quick, high quality and

more effective communication between stakeholders. From a decision making point of view, this permits for easier and elaborative decision making.

Other relevant theories that apply to contemporary entrepreneurship development and understanding are more appropriately presented in the sections that follow this discussion. The following theories; Bandura's Social Cognitive theory (Bryant, 2007: 735; Chen & He, 2011: 149; Urban, 2011: 129), Self-efficacy theory (Neck, Neck, Manz & Godwin, 1999: 478), Effectuation theory (Andersson, 2011: 631), Discovery theory (Alvarez & Barney, 2007: 127), Creation theory (Alvarez & Barney, 2007: 130), Systems theory (Anderson *et al*., 2012: 962; Mulej, Potocan, Zenko, Kaizer, Ursic, Knez-Riedl, Lynn & Ovsenik, 2004: 50), Theory of Planned Behaviour (Ang, Ramayah & Amin, 2015: 186) and the Structure and Agency theory (Lee & Jones, 2015: 338) will be integrated into the relevant sections of Chapter 2 that follow.

It is evident from the previous discussions that multiple forms of entrepreneurship emerge in contemporary research (Audretsch, 2012: 756). For this reason, Sundqvist *et al*. (2012: 204) and Anderson *et al.* (2012: 962) regard current entrepreneurship research as being very fragmented. Zahra, Gedajlovic, Neubaum and Shulman (2008) furthermore emphasised the importance of contextual variables in entrepreneurship studies. Context shapes the understanding of entrepreneurship (Audretsch, 2012: 756; Anderson *et al*., 2012: 962). Context remains important in entrepreneurship studies, because it adds to the understanding of how entrepreneurial social constructions mediate the mind frames for creating meaning in order to direct entrepreneurial action (Anderson *et al.*, 2012: 961). Current entrepreneurship research is focusing more and more on the inter-relationships between newly formulated entrepreneurial constructs and their contextual settings (Marcotte, 2014: 49-51). Context could be organisational, for instance organisational size and age; ownership model and legal status (Audretsch, 2012: 756); or could be based on some performance criteria such as innovation and growth (Audretsch, 2012: 759).

Despite the fragmented attention areas in entrepreneurship research over the years, Sundqvist *et al.* (2012: 204) indicated that the two most dominant strands in the entrepreneurship literature are those of Schumpeter and Kirzner. The present study adds to this opinion by expanding on the Schumpeterian and Kirzerian entrepreneurship ontology and epistemology.

2.3. ENTREPRENEURIAL DECISION MAKING

The research agenda on entrepreneurial decision making was earlier dominated by the focus being on the role of cognition in the decision process (Brundin & Gustafsson, 2013: 569; Faiez & Younes, 2012: 1410; Lindblom, Olkkonen & Mitronen, 2008: 518; Shepherd, Williams & Patzelt, 2015: 11). However, the important role of emotion in decision making gets more and more attention by scholars within the social sciences today, as illustrated by Lerner, Li, Valdesolo and Kassam

(2015), with the development of the emotion-imbued choice (EIC) model which introduces multi-level emotion context in a decision model. Therefore, based on Campbell's (2007: 139) perspective that a one dimensional view of an individual does not provide a realistic and holistic depiction of reality, it is argued that a more relevant and important focus would be to expand the understanding of the combined roles of both cognition and emotion in entrepreneurial decision making. Various scholars have endeavoured research in this domain with findings covering a variety of backgrounds (Brown, 2011: 194; Hess & Bacigalupo, 2011: 710; Holian, 2006: 1122; Kim *et al*., 2006: 277; Lakomski & Evers, 2010: 438; Smith & Reynolds, 2009: 580). Yet, none of these studies report on entrepreneurial decision making in the tourism industry and none relate their findings to small enterprise performance within the South African emerging market context.

Given that there are different entrepreneur types, such as the Kirznerian and Schumpeterian entrepreneur types, the respective differences in decision-making styles is argued to result in varying enterprise performances. How exactly these different decision-making styles would influence enterprise performances needs to be established. The Schumpeterian and Kirznerian entrepreneurial types have distinguishing characteristics and preferences which may affect decision outcomes differently (Marcotte, 2014: 57). Since there is no evidence in the literature that characterises the Schumpeterian and Kirznerian entrepreneurial types according to the nature and extent of their combined cognitive and emotional decision-making profiles, this study attempts to contribute in that domain of literature.

The environmental conditions such as stable market circumstances or turbulent market conditions provide context for entrepreneurial decision making (Alvarez, Urbano, Coduras & Ruiz-Navarro, 2011: 125; Guo & Cao, 2014: 273; Parnell *et al*., 2012: 547; Sundqvist *et al.,* 2012: 208). Market conditions as context are regarded as exogenous decision variables whereas endogenous variables such as beliefs and values, which are cognitive orientations, provide additional context for decision making (Sanchez, 2012: 28). In this regard, Baba and HakemZadeh (2012: 836) asserted that a decision-maker's preferences and values moderate decision outcomes.

Therefore, since entrepreneurial decisions are moulded by context (Alvarez & Barney, 2007: 136; Anderson *et al.,* 2012: 962; Carr & Blettner, 2010: 2; Shepherd *et al.,* 2015: 16) and are related to enterprise performance in a variety of ways (Crema *et al*., 2014: 14; Elbanna & Naguib, 2009, 437; Fisher, Maritz & Lobo, 2014: 478; Gomezelj & Kusce, 2013: 906; Guo & Cao, 2014: 273; Jalali, Jaafar & Ramayah, 2014: 48; McDermott & Prajogo, 2012: 216; Ndubisi & Iftikhar, 2012: 214; Parnell *et al*., 2012: 546; Rodriguez-Gutierrez, Moreno & Tejada, 2015: 194), the entrepreneur's endogenous cognitive orientation towards quality (Cancer & Mulej, 2006: 1059; Conti, 2006: 297), customer satisfaction (Conti, 2006: 301; Högström, 2011: 111; Kheradia, 2011: 403), ethical conduct (Baba & HakemZadeh, 2012: 836; Hess & Bacigalupo, 2011: 710; Holian, 2006: 1122;

Pimentel, Kunz & Elenkov, 2010: 359; Whittier, Williams & Dewett, 2006: 235), speed of response (Bielen & Demoulin, 2007: 174; Davis & Heineke, 1998: 64; Yilmaz & Bititci, 2006: 371), impact on the natural environment (Dietrich, 2013; Edwards, 2009: 189; Jamali, 2006: 809) and profit maximisation (Andersson & Tell, 2009: 586; De Zoysa & Herath, 2007: 652; Eggers, Kraus, Hughes, Laraway & Snycerski, 2013: 524; Wijewardena *et al*., 2008: 150), as cognitive context variables, is argued to impact on enterprise performance. These cognitive context variables are expected to frame entrepreneurial decision making and eventually influence enterprise performance. Since cognitive and emotive processes both contribute towards decision making and enterprise performance, this study has attempted to determine which specific blends of cognitive and emotive decision making could be associated with different entrepreneur types and small tourism enterprise performance. This study therefore argues that different levels of the cognitive-emotive blend contribute differently to enterprise performance, and that the different levels of the cognitive-emotive blend of decision making could be attributed to the different entrepreneur types. Entrepreneurial decision making, based on the prioritisation of different cognitive context variables, could therefore result in a variety of enterprise performance outcomes. The question arises whether the influence of cognitive context variables on enterprise performance has been explored in previous research? If so, which cognitive orientations were focused on and, if not, which themes have dominated past research in entrepreneurial decision making?

In a review of 602 journal articles on individual-level entrepreneurial decision making, Shepherd *et al.* (2015) explored the main research themes in the entrepreneurship decision-making literature and identified the following seven main themes:

- Opportunity assessment decisions
- Entrepreneurial entry decisions
- Decisions about exploiting opportunities
- Entrepreneurial exit decisions
- Heuristics and biases in entrepreneurial decision making
- Characteristics of entrepreneurial decision-makers
- Environment as entrepreneurial decision context.

The researchers summarised the key findings from these journal articles as follows:

- Human capital, affect, emotional reactions, biases and perceptions of environmental conditions contribute towards heterogeneous entrepreneurial characteristics (Shepherd *et al.,* 2015: 37).
- Individual-level aspirations, attitudes, abilities and opportunity costs influence the decision whether to embark on an entrepreneurial career or not. Through a process of self-awareness

the individual becomes aware of identity, ability and heuristics, and these aspects influence the decision to create an enterprise or not (Shepherd *et al.,* 2015: 37).

- The degree of planning, organisational context and the availability of the necessary funds together with the individual's perception of moral behaviour influence the decision to exploit entrepreneurial opportunities (Shepherd *et al.,* 2015: 37).
- The use of heuristics can speed up the entrepreneurial decision-making process, but it also reveals biases, such as over-optimism, over-confidence, over-reliance on experience, etc. (Shepherd *et al.,* 2015: 37).
- Individual differences in gender, experience, self-efficacy, metacognition, assessment of risk and culture could additionally influence entrepreneurial decision outcomes (Shepherd *et al.,* 2015: 37).

Shepherd *et al.* (2015: 38) identified important gaps in the entrepreneurship decision-making literature that needs to be explored in future studies. The role of time and complexity as well as the interaction of cognition with emotion in decision making are highlighted for further exploration and clarification. In the following sections of this study, arguments are presented to address some of these gaps and to expand on the existing ontology and epistemology of entrepreneurial decision making.

This study argues that there are differences in decision-making preferences according to the cognitive and emotive decision styles, different entrepreneurial types and how they influence strategic choices, with all of these culminating in different small tourism enterprise performances. Differences in demographic characteristics of entrepreneurs are also considered to influence entrepreneur types, decision styles, strategic orientation and small tourism enterprise performance.

2.3.1. Cognitive decision making

Mental models or cognitive models determine how entrepreneurs make sense of the environment and eventually also how to take action after interpreting environmental clues (Senge, 2006: 164). Under ideal circumstances, an individual should slow down own thinking processes in order to reflect on how cognitive processes (cognitive model) influence their own behaviour (Senge, 2006: 175). This is not always possible for the entrepreneur who sometimes has to make decisions based on little information and with little time available when making these decisions. Entrepreneurs require cognitive capacity to make decisions in dynamic markets where risk and uncertainty are main drivers of decision making (Bryant, 2007: 732). Andersson (2011: 632) reasoned that entrepreneurs observe the internal and external environments of an enterprise and based on these interpretations together with prior experiences, finalise their decisions. Andersson's (2011: 632) argument is therefore based on the cognitive dimension of decision making where

cognitive capacity is a prerequisite for the development of a cognitive model. Campbell (2007: 142) agreed that knowledge and cognitive ability are required for the creation of mental models which are necessary for interpreting reality and that entrepreneurial actions are based on the interaction of selected environmental stimuli and entrepreneurial mental models.

Learning from past mistakes and experiences require the entrepreneur to be competent in some cognitive aspects of decision making, especially in the application of heuristics (Bryant, 2007: 732). Heuristics refer to those processes where the entrepreneur interprets opportunities and decides on pragmatic solutions based on the entrepreneur's own, but often limited, prior learning experiences (Urban, 2011: 2). The human mind has limitations in terms of information processing capabilities and that is why individuals sometimes revert to the use of heuristics in decision making (Jones & Hill, 2013: 28). Since cognition is an essential requirement for capable decision making under conditions of stress and uncertainty, the careful consideration of all relevant variables would depend on the availability of sufficient time. Heuristics are used by entrepreneurs when time is perceived to be limited or when unnecessary cognitive activities are minimised or simplified. The use of heuristics in entrepreneurial decision making is therefore not ideal where careful consideration of complex scenarios are required for effective and efficient outcomes. Heuristics is often referred to as cognitive "short cuts" that the entrepreneur uses to reduce time and simplify decision making, especially in complex situations (Urban, 2011: 3). The implication of taking "short cuts", however, exposes the entrepreneur to over-generalisation and to being error prone or biased with decision making (Bryant, 2007: 736).

Systematic errors may occur in the decision process based on cognitive biases. Several cognitive biases have been identified and described in the literature and it is essential to distinguish between some types (Jones & Hill, 2013: 28):

- Hypothesis bias
- Escalating commitment
- Reasoning by analogy
- Representativeness
- Illusion of control
- Availability error.

Hypothesis bias is where an individual makes decisions based on strong beliefs about the so-called relationship between certain variables despite being presented with evidence to the contrary. This individual also tends to search for and use (mostly irrelevant) information which is consistent with own belief system in order to justify own position (Jones & Hill, 2013: 28). *Escalating commitment* refers to where an individual has committed substantial amounts of

resources and continues to commit more resources despite evidence that the project is failing (Jones & Hill, 2013: 28). *Reasoning by analogy* is where simple (mostly invalid) analogies are used to clarify or resolve complex problems (Jones & Hill, 2013: 29). The *representativeness* cognitive bias is embedded in the decision practice of generalisation based on the clues or findings of small samples (Jones & Hill, 2013: 29). The *illusion of control* refers to where an over-estimation of the ability to control scenarios occurs (Jones & Hill, 2013: 29). *Availability error* is where an individual has a predisposition to estimate the probability of something to occur based on how easy the outcome could be imagined (Jones & Hill, 2013: 29).

Cognitive biases may contribute to poor enterprise performance. This may also result in enterprise failure with a whole range of negative consequences. Correcting cognitive biases is time dependent since mental models need to be changed or re-aligned to proper decision-making practices through education and training. Early diagnosis of biases in decision making is a challenge, especially since small and micro enterprise entrepreneurs mostly operate in isolated environments where support structures are not necessarily straightforward or available. How could entrepreneurs then improve their decision-making processes to be more effective?

Bryant (2007: 733) claimed that self-regulation improves decision making. Self-regulation is applied in more complex decision-making scenarios. The ability of an entrepreneur to apply self-regulation processes also depends on the cognitive capacity of the entrepreneur. The latter is central to goal-setting theory, control theory, social cognitive theory and self-discrepancy theory (Bryant, 2007: 733). Social cognitive theory postulates that social environments meaningfully impact on entrepreneurial cognition, and ultimately also entrepreneurial behaviour (Bandura, 1997; Bryant, 2007: 735; Chen & He, 2011: 149). Self-efficacy theory, which is referred to as an individual's self-belief in own potential to succeed, is additionally based on Bandura's social cognitive theory (Neck *et al*., 1999: 478). Self-regulation as a process consists of regulatory pride and self-efficacy which encompasses the following key aspects in the cognition process (Bryant, 2007: 734):

- Self-referencing system
- Motivational system
- Goal frameworks
- Some other related affective and cognitive attributes.

Regulatory pride refers to the cognitive processes of evaluating future outcomes as having either potential for gains or potential for losses. Depending on how the potential outcomes are evaluated by an individual, one of two alternative cognitive orientations could be adopted. The individual could either decide to act towards achieving potential gains or to avoid action and thereby minimise potential losses. Entrepreneurs are more associated with the cognitive orientation of "taking action"

(Bryant, 2007: 734). Two seminal theories describing the link between entrepreneurial intention and entrepreneurial action, namely the Entrepreneurial Event Theory and the Theory of Planned Behaviour (Sanchez, 2012: 28), are very similar to Bryant's regulatory pride concept with only terminological differences. The main issues here are that the individual's cognitive orientation could either prompt action in order to gain potential advantages or to avoid action that could have the potential for realising losses and to be exposed to unnecessary risks.

The second concept involved in the self-regulation process, self-efficacy, refers to an individual's motivation and belief in own ability to be efficient in the completion of tasks (Bryant, 2007: 735). Self-confidence, self-esteem, commitment and optimism are all concepts which are related to the self-efficacy theory and in this regard form an integral part of the self-regulation construct (Bryant, 2007: 743). The view of Campbell (2007: 141) that cognitive ability, self-knowledge and cognitive complexity contribute to the individual's perceptions of reality, adds further perspective to self-efficacy as an important cognitive self-regulation concept. In this context, cognitive ability refers to the combination of the physical neural infrastructure (wiring) and thinking ability of the individual whilst cognitive complexity refers to the capacity of the individual to make sense and find solutions which involve many scenarios, some of which are complex. Understanding self-regulation as a cognitive mechanism to regulate thought processes in decision making is however incomplete without considering some decision models.

Barnard's decision model and the image theory model are contrasting decision models as indicated in Table 2.1, but provide for some similarities and differences in individual decision-making perspectives (Novicevic, Clayton & Williams, 2011: 431). These decision models illustrate and clarify the possibilities of mental frameworks that affect individual decision making. Barnard's model and the image theory model have similar views about the decision triggers (beliefs about social conventions/values) and how alternatives are formed (motivated by desirable outcomes). These two models have differing views about intuition and the screening of alternative options in the decision process. Barnard's model regards intuition as a "gut feeling" whilst the image theory regards intuition as a heuristic. Furthermore, alternative options in Barnard's model are narrowed down until only a final one remains whereas in the image theory the final decision is made by considering a few compatible alternatives and the one with the most profitable outcome would be the final choice (Novicevic *et al*., 2011:431). In another study, Matzler, Uzelac and Bauer (2014: 31) also referred to intuition as a "gut feel". Matzler *et al*. (2014: 32) regard intuition as some consciously perceived signal in interplay with the unconscious through which certain patterns emerge prompting the individual to react to the situation based on previous reactions of similar experiences.

Barnard's definition of intuition is based on past experiences that eventually become habit or a second nature response whereas the image theory regards intuition as an instinctive, rapid response which could be driven by positive or negative affect (Novecivic *et al.,* 2011: 432). The role of emotion in intuitive decision making is therefore acknowledged in the image theory. The image theory is a more contemporary view of decision making with Barnard's model being a historical model of decision making. Table 2.1 provides an overview of the differences and similarities between Barnard's decision model and the image theory model. Effectuation theory is therefore also related to Barnard's theory since it refers to decision making based on prior knowledge and experience on individual, enterprise and social network levels (Andersson, 2011: 631), and because knowledge and experience are necessary for the development of intuition (Wenhong & Liuying, 2010: 170).

Table 2.1: Main similarities and differences between Barnard's and image theory models of individual decision making

	Barnard's model	**Image theory model**
Similarities		
(a) Decision trigger	Guiding beliefs based on social conventions	Value image based on social acceptance
(b) Formation of alternatives	Desirable ends-in-view (framing of the situation)	Desired outcomes (context gives meaning)
Differences		
(a) View of intuition	Gut feeling	Heuristic
(b) Screening of alternatives	Alternatives are narrowed down to one for which "do or do not" choice is made	Alternatives are screened for a few compatible ones for profitability of choice

Source: Adapted from Novicevic *et al.,* 2011:431.

A further distinction is made between intuitive involvements in decision making and logical or rational decision making. Decisions that are based on previous experience rely in some way on intuitive ability whereas rational decision making relies on logic and reasoning ability (Wenhong & Liuying, 2010: 170). Both decision styles rely on cognitive capacity and where intuition is involved, additional emotive considerations play a role as well. Dane and Pratt's (2007: 33) perspective on intuition is that it is an affectively charged judgement which categorises intuition as an emotion-driven decision. Table 2.2 below informs about the emphasis of experiential and rational systems in decision making respectively. Matzler *et al.* (2014: 34) expanded on this motion by emphasising the importance of intuition, emotion and experience in decision making.

Intuition facilitates personal relationships (Matzler *et al.,* 2014: 35) and cognition is interrelated with relationships (Campbell, 2007: 143). Therefore, entrepreneurs who prefer to establish and maintain

relationships as part of networking exercises should ideally have well-developed intuitive abilities and cognitive capacity. The same applies to the entrepreneur who selects to adopt a strategic orientation based on relationships, for instance a relationship marketing orientation.

Table 2.2: Rational versus experiential decision-making systems

Factor	Item
Experiential system	Reliance on intuitive impressions
	Using gut feelings in figuring out problems
	Intuition is a very useful way to solve problems
	Go by instincts when deciding on a course of action
Rational system	Figuring things out logically
	Having a logical mind
	Think about all the possibilities when facing a choice
	Follow the highest standards, no matter what else

Source: Adapted from Wenhong and Liuying, 2010: 170.

The smaller the enterprise, the more it relies on intuitive decision making (Matzler *et al.*, 2014: 36). Small and micro enterprises are therefore more likely to make decisions based on intuition. Larger organisations with many employees are more associated with a rational or logical decision-making style (Matzler *et al*., 2014: 36). The latter is possibly due to the more structured and rule-based logic that applies within multi-layer and complex organisations. The link between an intuitive-based decision-making style and enterprise performance should therefore be expected to be stronger in small and micro enterprises. Cognitive decision style, which is more based on rational decision-making and less on intuition, is however strongly related to enterprise performance (Elbanna & Naguib, 2009: 450). A cognitive decision-style was additionally found to be associated with market orientation as a strategic orientation (Collinson & Houlden, 2005; Stimpert & Duhaim, 2010).

2.3.2. Emotive decision making

Campbell (2007: 139) presented a Wholistic Intra-Individual (WII) model which advises that an individual's observable components manifest in relationships and behaviour, but that the inner self's unobservable components can be distinguished by cognition, emotion, spirituality and being. Being is constituted by two components, existence and essence. The latter refers to the non-material attributes of an individual. Existence refers to what is otherwise known as the demographic characteristics of the individual (Campbell, 2007: 139). In this model spirituality is regarded as "a holistic connectedness of self, others, and context, with this interconnectedness as its epitome" (Campbell, 2007: 143). Therefore, since cognition, emotion, spirituality and being are interconnected in the WII model, and with cognition and emotion earlier recognised as influencing entrepreneur decision making, it suggests that spirituality and being would also influence decision

making. The WII model refers to the demographic characteristics of an individual as existence. This study distinguishes between some selected demographic characteristics of tourism entrepreneurs (existence) and entrepreneur type, decision style, strategic orientation and enterprise performance. Spirituality as a component of the WII model has however not been investigated by this study.

Anderson *et al.* (2012: 962) also referred to entrepreneurship as "*…*a way of being*…*" and "*...*it is about becoming*…*", but furthermore suggested that the entrepreneur "becomes" through being connected "…to, and between, processes, people and places". This is in support of Campbell's (2007: 143) claim of "interconnectedness" as the epitome of the inner self's spirituality component. The interplay between being, spirituality, cognition and emotion in the inner self is not directly observable, but is expressed through the observable relationships and behaviours of the entrepreneur. This section forthwith focuses on the emotion component of the inner self as contributing to entrepreneurial decision making.

In a review of research on the role of emotion in decision making spanning the past 35 years, Lerner *et al.* (2015: 17) proposed the emotion-imbued choice (EIC) model of decision making. The EIC model integrates the traditional rational-based decision making as well as the role of emotion in decision-making processes. In the EIC model, according to the traditional rational choice perspectives, the characteristics of the decision-maker (preferences, personality, etc.), the characteristics of the available options (probabilities, time delay, interpersonal outcomes, etc.) and the expected decision outcomes influence the evaluation processes (conscious and non-conscious) that lead to the actual decision phase. The characteristics of the decision-maker, the characteristics of the options and incidental influences (mood, weather, carry-over effects, etc.) in return also influence current emotions (emotions that are felt at the time of the decision). However, the expected outcomes and the evaluation processes reciprocally influence current emotions (or *concurrent* emotions as referred to by Elaydi, 2006: 1365), according to the EIC model (Lerner *et al.,* 2015). In the EIC model the reciprocal interrelationships between current emotion and the conscious/non-conscious evaluation of option processes and the expected decision outcomes respectively indicate that current emotions could change whilst in the decision process.

Resnick (2012: 39) referred to the non-conscious decision-making evaluation process as that process which develops based on "…pattern matching recognition-primed…" principles. These pattern matching recognition-primed abilities develop unconsciously over time in situations where the individual has to make decisions under conditions such as "… time pressure, vague and competing goals, extreme consequences, complex information integration requirements, and uncertain information…". Extreme and extraordinary circumstances require decision-makers to deviate from normative decision-making models and to rely on pattern recognition capabilities

where the unconscious and conscious interact in order to find solutions, mainly based on prior experience. Past decision outcomes and experiences linked to specific types of emotions have strong influences on decisions. The EIC model provides a mechanism to illuminate this phenomenon (Lerner *et al*., 2015: 17).

The evaluation of options in the EIC model depends on cognitive capacity whereas the expected decision outcomes could potentially be influenced by emotion as well. Based on the findings of previous research on the causal effects of emotion, Lerner *et al*. (2015: 19) furthermore reported that emotion influences the following:

- Quality of relationships
- Sleep patterns
- Economic choice
- Political and policy choice
- Creativity
- Physical and mental health
- Overall well-being.

Concurrent emotions, as referred to by Elaydi (2006: 1365), are emotions that are created as a result of a combination of consciously and unconsciously activated visceral or somatic reactions. Under severe stressful situations or where high uncertainty and risk lurk, the amygdala in the human brain triggers the release of adrenaline and the whole cascade of associated hormones into the blood stream (Hamann & Canli, 2004: 233; Lieberman, Eisenberger, Crockett, Tom, Pfeifer & Way, 2007: 421). This “fight or flight” mechanism disrupts rational thought and cognitive control over decision making. The emotions associated with the “fight or flight” mechanism may influence decisions positively or negatively. Therefore, severe stressful circumstances may disrupt the cognitive control mechanisms to the extent that decisions are made mostly on emotional or reactive (instinctive) stimuli. Such decisions may have undesirable consequences especially from an enterprise performance perspective.

Conti (2006: 299) for instance, referred to economic self-centeredness decision making as “…the predatory instinct of our wild ancestor...” and that “…pursuing one’s own interest…” is not mutually satisfying and cannot be associated with a quality decision. Could Conti’s reference be associated with higher emotion-based decision making? If so, it suggests that more self-regulation needs to be applied by “self-centred” individuals and that this would involve a more cognitive control mechanism in order to minimise the potential detrimental consequences of negative emotions-based decision making. Emotional intelligence is a mechanism through which emotional control

could be effected (Zampetakis, Kafetsios, Bouranta, Dewett & Moustakis, 2009: 597). Emotional intelligence is discussed later in this section.

Excessive variations in the experience of emotion could be due to a variety of underlying somatic or psychological pathologies. Medical intervention is suggested in such pathological cases. However, normal variations in the experience and/or perception of emotion are recorded and well researched. Such variations could for example be due to gender, experience and personality (Hamann & Canli, 2004: 233) or culture (Tsai, Knutson & Fung, 2006: 288). This study is, amongst others, interested in the nature and the extent of the relationships between some of these demographical variables (Gender; Experience and Language which could be an indicator of culture amongst others) and enterprise performance.

Kim *et al*. (2006: 281) stated that the variation in decision outcomes is partly due to the limited information processing capabilities of individuals which are based on knowledge structures and cognitive schema. The contribution of emotion in interaction with cognition additionally contributes to the variability in decision choice and outcome. However, Lakomski and Evers (2010: 443) asserted that the variation in decision outcomes could also be based on biological variation. The variation in decision outcomes theory is based on Damisio's Somatic Marker Hypothesis (SMH) which posits that decision making is modulated by unconscious emotional factors (Lakomski & Evers, 2010: 439). This does not imply that emotional factors are the only factors upon which decision making depends, but rather that intrinsic subconscious involvements of emotional factors precede conscious cognitive decision making.

In a study involving 101 entrepreneurs, Brundin and Gustafsson (2013: 568) found that positive emotions such as self-confidence, challenge, and hope increase the propensity that these entrepreneurs would commit more resources to investments, but that negative emotions such as embarrassment and strain have the opposite result. Since positive and negative emotions influence decisions differently (Gordon & Schaller, 2014: 18), it points out that the decision outcomes also vary depending on the type of emotion that is eventually experienced by the decision-maker. Positivism is furthermore associated with positive emotion and high self-esteem and these are related to enterprise performance (Bryant, 2007: 734). Kim *et al*. (2006: 283) moreover claimed that high levels of confidence are associated with increased risk-taking. Lower levels of confidence would therefore reduce the individual's propensity to take risky decisions.

Empathy, understanding and caring for others as well as emotional intelligence are related to having good relationships with others. Business success in complex environments depends on good relationships (Campbell, 2007: 144). Passion and compassion, for instance, are qualities of the "heart" which usually result in trusting relationships. Through self-awareness an individual understands own values, motives, emotions, strengths and weaknesses (Campbell, 2007: 141).

According to Hess and Bacigalupo (2011: 710), emotional intelligence skills can enhance decision outcomes. Emotional intelligence in this case serves as the bridge between cognition and emotion which could sometimes be in conflict with one another (Hess & Bacigalupo, 2011: 711). A high competency in emotional intelligence has a positive influence on enterprise climate which stimulates higher levels of creativity and entrepreneurial orientation (Awwad & Ali, 2012: 130). Since both creativity and entrepreneurial orientation result in enterprise performance (Johannessen & Skaalsvik, 2015: 90; McDermott & Prajogo, 2012: 233; Saunila, Pekkola & Ukko, 2014: 234), the contribution of emotional intelligence as a mediating link between cognition and emotion seems significant.

Various models of emotional intelligence (EI) have been discussed in the literature, but the refined model of Goleman with Boyatzis, Goleman and Rhee is the most recognised model in the literature today (Hess & Bacigalupo, 2011: 712). The refined EI model contains four dimensions (self-awareness, social awareness, self-management, and relationship management) with 20 related behavioural competencies. Table 2.3 lists the 20 behavioural competencies according to the four EI dimensions.

Table 2.3: Refined emotional intelligence model

Self-awareness	Social awareness	Self-management	Relationship management
Emotional self-awareness Accurate self-assessment	Empathy Service orientation Organisational awareness	Self-control Trustworthiness Conscientiousness Adaptability Achievement drive Initiative	Developing others Influence Communication Conflict management Leadership Change catalyst Building bonds Teamwork Collaboration

Source: Adapted from Hess and Bacigalupo, 2011: 713.

The self-awareness dimension of the EI model is described by an emotional self-awareness competency combined with the ability to perform accurate self-assessment. The ability to perform accurate self-assessment implies that cognitive processes are involved. The delicate interplay and balance between the emotive and cognitive processes in an individual determine competence in self-awareness.

The social awareness dimension of the EI model is defined by empathy, service orientation and organisational awareness. Social awareness, from an entrepreneurial point of view, means that the entrepreneur should be able to identify and relate to customer or employee needs. Additionally,

empathy is that ability of the entrepreneur to be aware of and to understand customer/employee needs and to have compassion for other people's needs. In order to satisfy the needs of customers for instance, entrepreneurs need to possess a service orientation which implies that an outward people orientation have to be developed and maintained.

The components of the self-awareness and social awareness dimensions of the EI model describe what behavioural characteristics an individual needs to possess in order to be aware of inner (self) and outer (other people) environments. The self-management dimension of the EI model refers to ideal behaviours of how an individual could manage self. Likewise, the relationship management dimension of the EI model refers to ideal behaviours which are associated with proper relationships management.

Self-control, trustworthiness, conscientiousness, adaptability, initiative and achievement drive are behaviours which are associated with good self-management. Individuals who possess skills to develop others, to influence others, to communicate well and to dissolve conflicts are associated with competent relationship management.

The relevance of some EI behaviours such as self-reliance and people skills of tourism employees in South Africa was for instance illustrated in a study by Zwane, Du Plessis and Slabbert (2014). In the latter study employers of South African tourism enterprises revealed a high regard for self-reliance, people skills and general employability skills of tourism enterprise employees.

This study recognizes that the components of the EI model as presented in Table 2.3 are the main drivers of cognitive and emotive decision making as conceptualised by this study.

The role of cognitive capacity in the EI process remains prominent. The role of cognition in emotion control and in regulating the reactions to emotional stimuli cannot be underestimated. This again emphasises the self-regulation function of cognition in interplay with emotion. Hence, in terms of decision making for the entrepreneur, it emphasises the importance of a healthy balance between the cognitive and emotive decision processes. This study attempts to add to the understanding of which balance between the cognitive and emotive decision-making processes could best be associated with different entrepreneur types, decision context preferences, strategic orientations and small accommodation enterprise performance.

2.3.3. Summative remarks on cognitive and emotive decision-making

Cognitive decision making could therefore be summarised as follows:

- A rational thinking process sometimes precedes action.
- Thinking carefully about all the decision outcomes is time dependent.

- Reminding self about the possible positive and/or negative decision outcomes before finalising the decision, has an impact on the decision outcome.
- Perpetual cognitive orientation about future goals or objectives influences decision outcomes.
- Some individuals prefer to take more time to think about situations than others.
- Some individuals prefer to consult others in the decision process, whereas others prefer to take decisions all by themselves.
- Knowledge and experience influence decision outcomes.
- The use of heuristics and certain cognitive biases influence decision outcomes.
- Cognitive and emotive processes in tandem influence decision outcomes.

Emotions in decision making could be summarised as follows:

- Positive and negative emotions influence decision making differently.
- Some individuals rely more on (gut) feelings than others in the decision process.
- Previously experienced emotions strongly influence decision making in some individuals (more so than in others).
- Knowledge and experience may provoke certain emotions which influence decision making.
- Impulsive decision making is associated with certain emotional influences.
- Intuition could be emotions driven, but it could also be primed by cognitive processes involving prior knowledge and experience.

2.4. ENTREPRENEUR TYPE

A review on entrepreneurial decision-making research reveals that one of the seven main themes is “Characteristics of the entrepreneurial decision-maker” (Shepherd *et al.,* 2015: 14). Research findings from this theme indicate which entrepreneurial characteristics influence entrepreneurial decision making. The heterogeneous nature of entrepreneurial decision outcomes is ascribed to a variety of factors (Shepherd *et al*., 2015: 33) which are herewith summarised:

- Gender differences;
- The amount and nature of entrepreneurial experience;
- Metacognitive thinking ability;
- The ability to assess risk;
- Emotional reactions; and

- Natural and cultural heritage factors.

These factors are, amongst others, discussed in Section 2.2 “Entrepreneurial Decision Making” above. Marcotte (2014: 42), however, indicated that in order to expand the entrepreneurship epistemology, it is useful to incorporate the Schumpeterian and Kirznerian views, “…with their respective emphasis on innovation and opportunity alertness…”. The following two subsections describe the respective Kirznerian opportunity alertness/recognition and the Schumpeterian creativity/innovation characteristics.

2.4.1. Opportunity recognition and the Kirznerian entrepreneur

The literature on strategic management states that opportunities for economic exploitation are situated in the market and not within the enterprise (Hough, Thompson, Strickland & Gamble, 2011: 56). Threats balance the economic worth of these opportunities in the marketplace and hence need to be assessed together with opportunities (Hough *et al.*, 2011: 57). The entrepreneur has to evaluate and consider all the various aspects in the macro environment in order to recognise or discover opportunities for economic exploitation. These aspects include the socio-economic and general economic conditions, the politico-legal environment and technological environment, but also more specifically the industry- and competitive environmental circumstances (Hough *et al.,* 2011: 57). Additionally, from an environmental scanning point of view, Baron (2006: 104) claimed that opportunity recognition occurs through a process of pattern recognition. According to Baron (2006: 104), there are three factors that contribute to pattern recognition, namely:

- It has to be an active search process (environmental scanning);
- The entrepreneur has to possess a certain level of alertness; and
- Prior knowledge of the industry or market is beneficial in this process.

Opportunity recognition requires decision-making competence from both cognitive and emotive perspectives (Brundin & Gustafsson, 2013: 569). Gordon and Schaller (2014: 7) support this view and claimed that cognition and mindfulness are complementary, but essential processes for performing market analyses in the search of opportunities. The link between cognitive and emotive decision-making processes and opportunity recognition is evident; and therefore, the entrepreneurial opportunity discovery process depends on the entrepreneur’s cognitive and emotive decision-making skills.

Discovery theory (Alvarez & Barney, 2007: 127) states that competitive imperfections occur exogenously from changes in for instance customer preferences or technology. These imperfections or opportunities exist as real and objective phenomena that are “available” to be discovered by entrepreneurs. Discovery theory is related to the Kirznerian entrepreneurial

opportunity discovery process. Lee and Jones (2015: 341) stated that the entrepreneurial opportunity consists of a set of ideas, beliefs and actions which are required to enable the creation of future products and services for markets that previously did not exist. The cognitive process as influential in entrepreneurial decision making with specific reference to the identification and exploitation of entrepreneurial opportunity is therefore emphasised by Lee and Jones (2015: 341). It additionally links entrepreneurial cognition in opportunity recognition to the creative processes which are vital for proper opportunity exploitation. Audretsch (2012: 762) furthermore maintained that the role of entrepreneurial cognition is an important contributor in social networking, and in education and training, as well as in the process of knowledge and experience acquisition through family interaction, for instance. Through entrepreneurial cognition the elements and constructs of self and circumstance are brought together to connect and interrelate enterprise and environment (Anderson *et al.*, 2012: 962). Anderson *et al. (*2012); Audretsch (2012) and Sarasvathy *et al.* (2003) therefore agree that entrepreneurial cognition is an important constituent or requirement in the opportunity recognition and the related decision-making processes required for the exploitation of opportunities. Bryant (2007: 732) concurred that entrepreneurs have to be competent in the cognitive aspects of decision making, especially under conditions of stress and uncertainty. Cognitive capacity is likewise a requirement for making decisions that involve risk-taking. In the process of opportunity exploitation, risks have to be taken and therefore the role of cognition in this process seems to be important.

Andersson (2011: 630) described the two main schools of thought with regards to opportunity recognition. The first school of thought sees opportunity recognition as a planned process whereby opportunities are recognised only after a thorough rational, purposeful and systematic exploration has been done. This school of thought is based on causation logic. The second school of thought perceives opportunities as being co-created or discovered in collaboration with other agents in what is described as an effectuation process. This opportunity discovery process is based on the prior knowledge and experience of the entrepreneur in what is referred to as effectuation logic (Andersson 2011: 630). In the latter school of thought the unplanned discovery of opportunities could sometimes be regarded as accidental, but it is grounded on prior knowledge and the experience of the entrepreneur. The second school of thought highlights how entrepreneurs, through a process of networking with other stakeholders in the market or industry, collaboratively become aware of opportunities for economic exploitation.

Effectuation theory states that decisions are made through interactions between entrepreneurs and other agents within and from outside the organisation (Andersson, 2011: 631). In other words, where others are involved as suggested by the effectuation logic, it implies that decision making in the opportunity recognition process is participatory in nature. It furthermore suggests that the entrepreneur should possess skills to communicate and relate to others. Mulej *et al*. (2004: 54)

added to this perspective by reiterating the significance of participatory decision making in complex environments. According to the view of Mulej *et al. (*2004: 54), participatory decision making allows for more coordination, synchronisation, interaction and networking opportunities between various stakeholders. The effectuation theory and systems theory both emphasise the broader involvement or interaction of stakeholders in order to be more considerate of as many criteria as possible in opportunity recognition and decision making.

Siegel and Renko (2012: 800) noted that there are broadly two approaches to the studying of entrepreneurial opportunity recognition in existing literature. In the first approach the cognitive qualities such as the thinking, reasoning and associated behavioural capacities of the entrepreneur are highlighted. The second approach features the knowledge inputs that are required for opportunity recognition. In terms of the knowledge inputs, Siegel and Renko (2012: 800) distinguished between idiosyncratic knowledge (knowing customers, markets and the ways to serve these markets) and new information or knowledge. The idiosyncratic knowledge is usually obtained through a process of planned market analysis through which customer profiles are compiled, and then customer needs are determined and serviced. The latter is associated with the Kirznerian type of opportunity recognition process and is also referred to as “market pull” opportunities. New information or knowledge could originate from changes in technology, legislation or regulation, macro-economic factors and social trends, for instance. New information could be utilised to create unique business solutions based on the changing environmental conditions. The latter is referred to as “market push” opportunities which are more associated with the Schumpeterian opportunity recognition process (Siegel & Renko, 2012: 800-801). The different Kirznerian and Schumpeterian entrepreneurial opportunity recognition processes should additionally not only be appreciated as mutually exclusive processes, but they may also be complementary processes (Siegel & Renko, 2012: 802). In this regard, Marcotte (2014: 57) reported that there are different opinions about the existence of Kirznerian and Schumpeterian entrepreneurial profiles in the market. There are two contrasting positions on the latter in the literature today. Proponents of the non-reconciliation position argue that one form of entrepreneurship (Kirznerian or Schumpeterian) predominates in a market, whereas supporters of the reconciliation position are of the opinion that various forms could coexist in the same market (Marcotte, 2014: 57). Market conditions (emerging market or developed market) are additionally maintained to have an effect on the prevalence of the specific entrepreneurial opportunity recognition preference in any geographical region (Marcotte, 2014: 58).

Sundqvist *et al.* (2012: 205) added another perspective to the involvement of market conditions as having a potential moderating effect on differential (Kirznerian versus Schumpeterian) entrepreneurial opportunity recognition performance. According to Sundqvist *et al.* (2012: 208), the

Kirznerian entrepreneur performs better in stable market conditions and the Schumpeterian entrepreneur performs better in dynamic or complex market conditions.

Based on Sundqvist *et al*. (2012: 208), the Kirznerian entrepreneur could therefore be regarded as being market orientated and preferring market penetration and/or market challenging strategies. Furthermore, considering that the Kirznerian entrepreneur prefers a rational, purposeful and systematically planned process (Andersson, 2011: 630) by using idiosyncratic market knowledge (Siegel & Renko, 2012: 800), their exposure to risks or to taking risks is controlled or minimised.

However, despite all the attention that the opportunity recognition concept has received by scholars recently, Wang *et al*. (2013: 250) claimed that the nature and process of entrepreneurial opportunity recognition have not yet been properly clarified or described in the literature. Wang *et al.* (2013: 251) therefore suggested that entrepreneurial opportunity recognition be further explored by considering the contributions of entrepreneurial cognitive frameworks and social contexts.

Self-efficacy, prior knowledge and social networks are antecedents to opportunity recognition and these concepts are closely related (Wang *et al*., 2013: 260). Alertness, technological knowledge and market knowledge contribute to better opportunity recognition (Siegel & Renko, 2012: 798). Possessing idiosyncratic market knowledge (market pull opportunities) is associated with Kirznerian opportunity exploitation (Siegel & Renko, 2012: 800).

Pragmatic entrepreneurs plan better and are more rational and reactive than the charismatic entrepreneur and are risk aversive. This corresponds with the Kirznerian entrepreneurial view (McCarthy, 2003: 331). A combination of market knowledge (Kirznerian) and new technological knowledge (Schumpeterian) benefits opportunity recognition processes (Siegel & Renko, 2012: 811).

Kirznerian entrepreneurs are characterised by actively looking for opportunities through a discovery process; their behaviours are market-driven; they are always alert and competitive oriented; they tend to exploit opportunities through equilibrating tendencies; discover opportunities unforeseen by competitors; they are advantage seeking and beat competitors through aggressive challenge and exploitation of existing demand; they use competitive strategies; and they are pro-active (Sundqvist *et al.*, 2012: 204). They additionally perform better in stable market conditions (Sundqvist *et al*., 2012: 208).

2.4.2. Creativity, innovation and the Schumpeterian entrepreneur

According to Hieronymi (2013: 1414), a definition of creativity should refer to at least four different qualities:

- Something *new*,
- Something *valued*,
- Something *elaborated*, and
- Something *applied*.

New and novelty are related, but novelty is also related to emergence from a systems context point of view. The most important part of creativity is in the creation of novelty. Through novelty new properties, structures and patterns emerge (Hieronymi, 2013: 1415). It could be interpreted that the new properties also generate advanced applications or uses. In other words, more value is generated through a process of improvement and development. The creative individual relies on cognitive abilities in interplay with purposeful motivation and emotion. The extended value of the creative product is eventually judged within social context when it is applied or being exposed for its pragmatic contributions in various environments (Hieronymi, 2013). Sandberg, Hurmerinta and Zettinig (2013: 228) described this process of innovativeness as the ability to successfully "*…*implement creative ideas in order to make a specific and tangible difference in the domain*…"*. Based on Sandberg *et al.*'s (2013: 228) reference to innovation as a process of implementation of a creative idea, it suggests that an entrepreneur should possess a certain capacity to implement creative content. The role of the entrepreneur as implementer of creative content seems critical in this process. Innovation capability is after all related to enterprise performance (Saunila *et al*., 2014: 235), and innovation is a major driver of business growth (Bozic & Ozretic-Dosen, 2015: 144). Another perspective is from Slatten (2011: 96) who stated that innovation in service-oriented enterprises strongly influences enterprise survival and competitiveness. Creation theory (Alvarez & Barney, 2007: 130) is a logical theoretical alternative to the discovery theory (Hang, Garnsey & Ruan, 2013: 5). According to creation theory, opportunities do not exist as objective and real phenomena as a result of exogenous changes in the market. Opportunities are rather created by endogenous exploration through actions, reactions and enactments of entrepreneurs. These actions, reactions and enactments create entirely new services or products. Creation theory is therefore related to the Schumpeterian entrepreneurial opportunity creation process.

Since the creation of opportunities for entrepreneurial exploitation is associated with the Schumpeterian entrepreneur (Sundqvist *et al*., 2012: 204), an investigation of the entrepreneurial process is necessary. In Gordon and Schaller's (2014: 11) model of the entrepreneurial process, the creation of the entrepreneurial opportunity is the first step in the development of value growth. Gordon and Schaller (2014: 11) separated the creation of the entrepreneurial opportunity from the

entrepreneurial value creation process. Opportunity discovery is the first step in this value creation process which is then followed by opportunity recognition, opportunity evaluation, opportunity development, and finally opportunity commercialisation. During this process, the decision to exploit the opportunity is influenced by past experience, knowledge and emotion (Gordon & Schaller, 2014: 11). Since market analysis is part of the opportunity evaluation and exploitation processes, it seems as if this part of the entrepreneurial process could be associated with the Kirznerian entrepreneur. However, given that knowledge is a key entrepreneurial asset which is related to product development (Burns, Acar & Datta, 2011: 270), it could also be associated with the Schumpeterian entrepreneur. The Gordon and Schaller (2014: 11) entrepreneurial process model makes provision for both the Schumpeterian and Kirznerian entrepreneurial types. The latter therefore suggests that the Schumpeterian and Kirznerian entrepreneurial types could actually co-exist within the system of entrepreneurial opportunity creation and consequent opportunity exploitation processes. It could therefore be possible for entrepreneurs to have a higher preference for a specific entrepreneurial type whilst performing functions associated with either of the Schumpeterian and Kirznerian entrepreneurial types.

Chiles, Elias, Zarankin and Vultee (2013: 296) offered a radical subjectivist view of entrepreneurial opportunity creation and exploitation by emphasising the aspect of “creative imagination” in opportunity exploitation. According to Chiles *et al*. (2013: 296), creative imagination is the “…creation of novelty through forward-looking imagination…”. In a qualitative study involving entrepreneurs of the United States of America (USA), Chiles *et al*. (2013: 297) determined the following:

- Entrepreneurs create opportunities in their minds through a process of forward-looking imagination.
- Entrepreneurs exploit these imagined opportunities through their actions.
- Entrepreneurs act within complex and dynamic systems in which numerous other diverse, but interdependent actors also act.
- Entrepreneurs view change as something that could happen suddenly, but yet it could also be continuous, nonlinear and unstable processes which cannot be predicted.
- Entrepreneurial future outcomes are inherently “unpredictable and uncertain, non-optimal, and path-dependent”.

The role of cognition in the creative imagination process is clear, but the enactment of the envisaged future scenario distinguishes the successful opportunity exploiter from others. Furthermore, entrepreneurs act within complex and dynamic environments where their outcomes can never be guaranteed, but despite these apparent uncertainties, their inherent self-belief

qualities drive them towards achieving their envisaged goals. Bryant's (2007: 735) opinion on this is that entrepreneurs have "…control over their thoughts, feelings, motivation and actions..." and that this process of self-regulation permeates in self-confidence, task motivation and motivational strength. The latter statement is referred to as entrepreneurial self-efficacy and seems to be very important for entrepreneurial decision making with specific reference to opportunity exploitation and enactment (Bryant, 2007: 735).

To be creative means to possess forward-looking imagination or vision and to act on the envisaged opportunities (Chiles *et al*., 2013: 296). Possessing new technological knowledge (science push opportunities) is associated with Schumpeterian opportunity creation (Siegel & Renko, 2012: 800).

Schumpeterian entrepreneurs are innovators; they engage in market-driving activities; create new combinations; start dis-equilibrating tendencies resulting in "creative destruction"; seek out and create new market opportunities; open new markets, characterised by their autonomous behaviour; are willing to take risks (Sundqvist *et al*., 2012: 204); and perform better in dynamic market environments (De Jong & Marsili, 2015: 19; Sundqvist *et al*., 2012: 208). Schumpeterian opportunity recognition processes are driven by new (technological) knowledge and information. They are also characterised by their market push activities (Siegel & Renko, 2012: 811). Charismatic entrepreneurs are more visionary, intuitive and creative than pragmatic entrepreneurs. They are also more prone to taking risks and are more obsessive about achieving business success. The latter view supports the Schumpeterian theory of entrepreneurship (McCarthy, 2003: 331). Schumpeterian entrepreneurs are characterised by their high need for achievement, internal locus of control, risk-taking propensity, and high tolerance for ambiguity, persistence and self-efficacy (Sandberg *et al*., 2013: 229). Collaborative efforts within teams are also associated with higher creativity output as a result of a broader social interaction between team members (Peppler & Solomou, 2011: 13). This suggests that Schumpeterian entrepreneurs who possess preferences for creative and innovative behaviour could improve their creative outputs when collaborating with others within networking structures.

Schumpeter highlighted five types of innovation (Brines, Shepard & Woods, 2013: 119; Harvey, Kiessling & Moeller, 2010: 527):

- Creation of new goods;
- Creation of new production methods;
- Opening of a new market;
- Capturing a new source of supply; and
- Cracking monopolies by creating new organisations or industries.

2.4.3. Summative remarks on entrepreneur types

The key aspects associated with the typical Kirznerian entrepreneur could be summarised as follows:

- Recognises a dis-equilibrium in the market and then tries to restore the equilibrium through the process of opportunity exploitation;
- Knows the market (customers, competitors, suppliers, and other stakeholders);
- Performs better in stable market conditions where changes are minimal and customer needs or preferences are predictable;
- Operates in conditions where risk is minimised;
- Derives profits from the leveraging of economies of scale;
- Exploits market conditions through proactive and market-driven (market pull) behaviours;
- Competes aggressively to gain competitive advantage through effective arbitrage (also associated with first-mover gains);
- Outperforms competitors in the same markets.

The following key aspects are associated with the typical Schumpeterian entrepreneur:

- Disrupts the equilibrium in the market through a process of creative destruction and recombines resources in unique ways to keep competition at bay;
- Performs better in dynamic market conditions where customer needs are shifting continuously and therefore difficult to predict;
- Operates in conditions of higher risk;
- Innovation is a key characteristic in order to keep abreast of competition;
- Exploits opportunities by means of market-driving (market push) behaviours;
- The higher risk-taking behaviour associated with the Schumpeterian entrepreneur also leads to higher returns if successful;
- Schumpeterian entrepreneurs are more autonomous than Kirznerian entrepreneurs;
- Creates new products/services and develops new markets.

2.5. DECISION CONTEXT

Decision making could be influenced by an individual's preferences or some self-perceived priorities that become important from time to time. This study refers to these individually perceived priorities as decision context variables.

Contextual elements have an influence on the actualisation of decision outcomes (Gordon & Schaller, 2014: 15; Marcotte, 2014: 42-43). According to Gordon and Schaller (2014: 15), certain internal and external factors may influence the decision-maker's perceptions and behaviours and eventually the nature of the decision that is made. Context could be exogenous, meaning that external environmental factors have influence (Puplampu, 2010: 628), or endogenous, based on the influence from the decision-maker's internal mental model and perception of reality (Campbell, 2007: 142). Culture, for instance, is an interesting example, because it possesses exogenous and endogenous elements and it plays a role in service quality perceptions and decision-making processes. This study regards language as an indicator of culture.

Context impacts on the relationship between entrepreneurial thinking, entrepreneurial behaviour and entrepreneurial performance (Sundqvist *et al.,* 2012: 207). Based on the former perspectives of the influence of context on entrepreneurial decision outcomes, the interrelationships between entrepreneurial cognitive context variables and entrepreneurial decision-making style, entrepreneurial type and enterprise performance need to be examined. Full context would almost be impossible to consider in studies of this format. Selective aspects that generally impact on entrepreneurial decision outcomes could however contribute usefully to the ontology of the entrepreneur and the epistemology of entrepreneurship.

Organisational sustainability is linked to decision making that is sensitive to triple bottom line issues (Ciasullo & Troisi, 2013: 44; Crnogaj, Rebernik, Hojnik & Gomezelj, 2014: 377; Haron, Ismail & Oda, 2015: 71; Marshall, McCarthy, McGrath & Claudy, 2015). Triple bottom line encapsulates the social, natural environmental and economic dimensions of decision making (Edwards, 2009: 189; Jamali, 2006: 809). Sustainable enterprises are characterised by decisions that serve numerous layers of purpose including the social, emotional, spiritual/deep meaning, and natural environmental domains, and lastly, the economic objectives (Edwards, 2009: 193). Sustainability therefore depends on more than just focusing on the economic objectives of an enterprise. An enterprise that exploits or disregards the value of its social environment, for instance its employees, customers or general community, and its natural environment (pollution insensitivity, for instance), does not have a sustainability focus.

The social dimension in the triple bottom line concept refers to corporate social responsibility, but by implication also relates to decision factors based on ethical values (Conti, 2006: 301; Hess &

Bacigalupo, 2011: 710; Holian, 2006: 1122; Jammulamadaka, 2013: 385; Ladzani & Seeletse, 2012: 87; Pimentel *et al*., 2010: 359; Whittier *et al*., 2006: 235), and service quality and customer satisfaction (Agarwal *et al*., 2003; Atilgan, Akinci & Aksoy, 2003; Augustyn, 1998; De Burca, Fynes & Brannick, 2006; Dickson & Huyton, 2008; Eraqi, 2006; Kheradia, 2011: 403; LeHew & Wesley, 2007; Mak, 2011; Manaktola & Jauhari, 2007; Nadiri & Hussain, 2005; O'Neil, Williams, McCarthy & Groves, 2000; Pizam & Ellis, 1999; Ramanathan & Ramanathan, 2011; Venetis & Ghauri, 2004; Weiermair, 2000; Yilmaz & Bititci, 2006; Zehrer, 2009). Ethics is additionally related to respect, trust and mutually satisfying behaviours (Conti, 2006: 302) which in turn relate to customer satisfaction and customer loyalty (Dickson & Huyton, 2008; Högström, 2011; Juwaheer, 2004; Mak, 2011; Ramanathan & Ramanathan, 2011; Sutton, 2015: 315; Venetis & Ghauri, 2004).

The natural environmental dimension in the triple bottom line concept refers to sensitivity towards the natural environment in enterprise decision making. Nga (2009: 408) claimed that economic prosperity most often comes at the expense of the natural environment in enterprise decision making. Natural environmental sensitivity has specific relevance to the tourism industry since tourists most often support destinations where the natural environments are protected and preserved (Crnogaj *et al.*, 2014: 377).

The economic dimension in the triple bottom line concept refers to the profit-making objectives of an enterprise. An enterprise is regarded to be performing when it becomes profitable, that is, when enterprise income exceeds enterprise costs. The profitability of an enterprise was accentuated as a performance parameter in various previous studies (Bastakis, Buhalis & Butler, 2004; Buhalis, 2000; Getz & Petersen, 2005; Lerner & Haber, 2001; Phillips & Louvieris, 2005). These studies were all in agreement that the higher the profitability of an enterprise the better the performance of that enterprise.

2.5.1. Quality

Quality is related to a wide range of enterprise performance variables. Customer satisfaction, profitability, employee relations and operating procedures are identified as enterprise performance variables related to a quality orientation, according to Mendes and Lourenco (2014: 692). In addition, quality improvement programmes are positively associated with enterprise performance (Mendes & Lourenco, 2014: 694). However, small enterprises are reluctant to engage in quality management programmes such as total quality management (TQM), ISO9001 or Six Sigma due to their respective cost and time demands (Mendes & Lourenco, 2014: 695; Psomas, Fotopoulos & Kafetzopoulos, 2010: 441). It is beneficial for small and medium enterprises (SME) to commit to the implementation of a quality management system, because the ISO9001 (Ilkay & Aslan, 2012: 753), Six Sigma (Kheradia, 2011: 404) and TQM (Lewis, Massey & Harris, 2007: 965) are all positively related to SME performance.

Small enterprises have distinct advantages when they engage in quality management programmes, because of their higher flexibility, flat organisational structure, high visibility and presence of the owner-manager, less bureaucracy, higher employee loyalty, closeness to their customers, faster execution of decisions, high responsiveness to market needs, informal relationships, lower standardisation and general innovativeness (Mendes & Lourenco, 2014: 695).

Nuutinen and Ojasalo (2014: 297) asserted that a service orientation leads to service quality and this is achieved by adopting service logic. Service logic is focused on the customer. Therefore, a service provider with service logic would be orientated to satisfy customer needs. Hence, the quality concept is strongly linked to customer satisfaction (Sureshchandar, Rajendran & Anantharaman, 2002: 363; Terziovski, 2006: 414). Furthermore, service innovation is also related to enterprise performance (McDermott & Prajogo, 2012: 216; Voon, 2006: 595) and it therefore suggests that service logic would positively influence enterprise performance. Voon (2006: 595) furthermore linked a market-oriented enterprise to service quality. This is due to the customer focus and competitor focus of market-oriented enterprises. Service quality and SERVQUAL-oriented enterprises have a strong positive relationship with enterprise performance (Finsterwalder & Tuzovic, 2010: 114; Voon, 2006: 612). A further elaboration on the SERVQUAL model of Parasuraman, Zeithaml and Berry (1990) is presented in Section 2.7.4 below.

Therefore, a mental model or cognitive schema of a small enterprise owner-manager that emphasises quality service would have a positive influence on the enterprise performance.

2.5.2. Speed of response

Matzler *et al*. (2014: 36) claimed that the mechanism through which managers speed up decision making and response time is intuitive abilities. Intuitive ability apparently enables an individual to sense problems and to respond quickly by performing “well-learned patterns”, which additionally suggests that experience plays a significant role. Cognitive capacity is however also necessary to recall lessons learnt from previous experience. This suggests that in order to respond quickly to entrepreneurial opportunities, the entrepreneur needs cognitive capacity, experience and intuitive abilities.

Mador (2000: 217) asserted that the speed of response distinguishes performing entrepreneurs from others and in the same context Yang and Liu (2012: 1022) averred that an enterprise’s agility boosts enterprise performance. Morgan (2004) asserted that structure, speed and salience influence enterprise performance, whilst Wei, Hu, Li and Peng (2015) posited that response time and enterprise performance are related.

In a Belgian study involving 946 respondents from the health care industry, Bielen and Demoulin (2007: 177) reported how customers' waiting time satisfaction impacts on customer loyalty. The

research model is presented in Figure 2.2 which illustrates that “Perceived waiting time”, “Satisfaction with information about delays”, and “Satisfaction with the waiting environment” have an influence on “Waiting time satisfaction” which leads to “Service satisfaction” and finally “Loyalty” (Bielen & Demoulin, 2007: 177). Customer loyalty has a positive spin-off effect on enterprise turnover and profitability. Turnover and profitability are enterprise performance indicators. From the aforementioned it implies that speed of response on individual and enterprise levels is linked to enterprise performance.

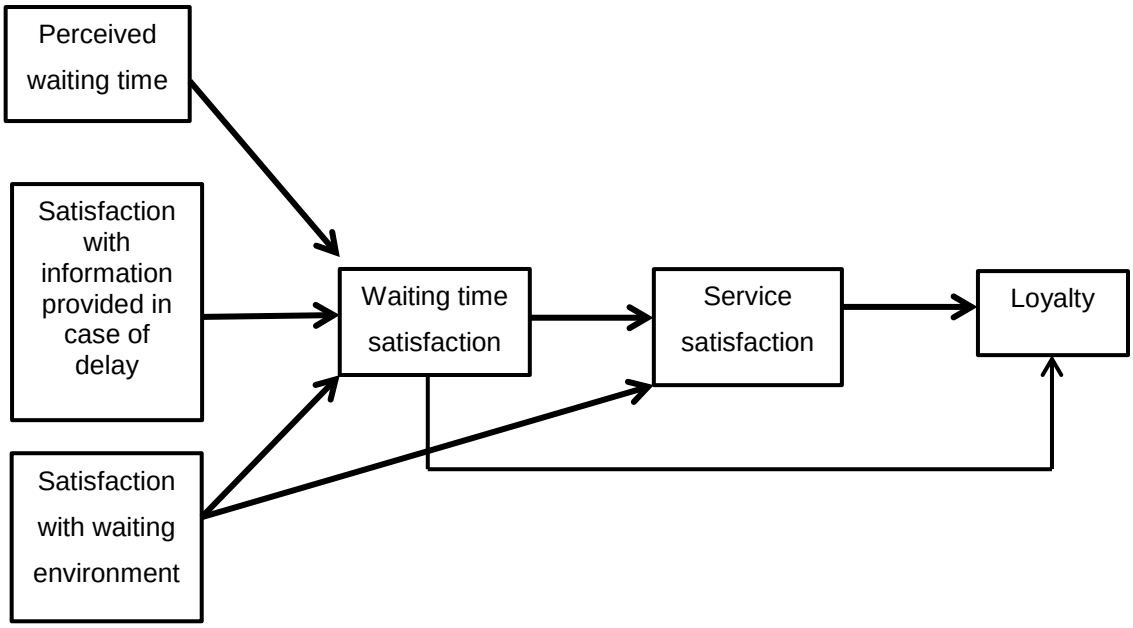


Figure 2.2: Waiting time satisfaction: determinants of and effects on satisfaction-loyalty relationship

Source: Adapted from Bielen and Demoulin, 2007: 177.

Furthermore, according to Dhliwayo (2012: 150), the speed of reaction to change, and enterprise adaptability and agility, amongst others, distinguish an entrepreneurial organisation from a traditional organisation. Thus, the entrepreneur should by implication be cognitively alert and orientated to react to opportunities fast. It could additionally be interpreted that the entrepreneur should have a low resistance to change and also be flexible enough to act speedily.

Perceived waiting time in a service-orientated industry is a strong predictor of customer satisfaction (Davis & Heineke, 1998: 71) and in the tourism industry, which is a service industry, speed of delivery is extremely important for customer satisfaction (Yilmaz & Bititci, 2006: 382). The relationship between speed of delivery and customer satisfaction therefore contributes towards enterprise performance in a service industry.

Therefore, the entrepreneur with a cognitive model orientated towards acting quickly on opportunities to satisfy customers' needs, would contribute positively to enterprise performance.

2.5.3. Ethical orientation

Business decisions in the corporate social responsibility (CSR) domain are usually based on "…ethical values and respect for people, communities and the environment" (Nejati & Amram, 2013: 11). CSR is mostly associated with larger organisations, but small enterprises also benefit if they are involved with ethical practices that involve the social and natural environments (Dincer & Dincer, 2013: 178).

Decisions that avoid conflicts of interest are characterised as ethical decisions (Carey, 2015: 183). Ethical decisions however involve "…rational and emotional components, and cognitive and affective skills…" (Holian, 2006: 1129), suggesting a more holistic approach to fully understand this phenomenon. The positive relationship between emotional intelligence (EI) and ethical decision making additionally contributes towards understanding the "ethics" phenomenon (Holian, 2006: 1135). Ethics is furthermore central to leadership (Campbell, 2007: 140), implying that entrepreneurial leaders value ethical conduct and decision making. Entrepreneurial leaders need to guide others to adopt ethical values aligned to acceptable codes of conduct and adequate moral agency which could be referred to as value-based ethics (Pimentel *et al*., 2010: 364). Ethics is however also linked to some demographic characteristics of the decision maker, such as personality, work experience and personal value system (Pimentel *et al.,* 2010: 365). The findings of Sommerville (2011: 91) support this by indicating that the variation of ethical decision making amongst SMEs in west-central Scotland is linked to age, experience and education. This suggests that cognitive and emotive criteria could play an important role in the process of ethical decision making.

Since EI is associated with understanding self and others, as well as having social and relationship skills (Hess & Bacigalupo, 2011: 713), and since ethics is positively associated with EI (Holian, 2006: 1135), it follows that ethically-orientated entrepreneurs have good self-awareness skills, understand others well, possess higher level social skills and through relationship skills could develop and maintain good relationships with others. Therefore, by implication, the opposite could then also be true, namely that entrepreneurs who do not possess the bouquet of EI skills, could shy away from contact with others, because they do not have the necessary social and relationship skills, suggesting that these entrepreneurs could also be less ethically orientated.

In support of the holistic approach to understanding ethical decision making, a phenomenological study by Dincer and Dincer (2013: 177) in Turkey revealed that SME decision makers are strongly influenced by personal feelings and emotions, family and friends, financial conditions as well as

religion with regards to social responsibility decisions. Unlike large corporates, these SME decision makers are not motivated by profits in their social responsibility decisions. Respondents in this study who were mostly motivated by personal feelings and religion additionally displayed a concern for the natural environment far beyond the legal requirements (Dincer & Dincer, 2013: 184). Yet, organisations that ignore legal guidelines are characterised as unethical and avoidant from a sustainability perspective (Edwards, 2009: 192). These unethical organisations additionally have very little or no regard for the natural environment (Edwards, 2009: 193). Based on this logic, an organisation that follows legal guidelines and that is sensitive to the natural environment would be characterised as an ethical organisation. The relationship between possessing an ethical orientation and displaying sensitivity for the protection of the natural environment is therefore clear.

In a review of ethical decision-making models, Whittier *et al*. (2006: 235) concluded that the Patrick and Quinn judgment integrity model satisfies most of the ethical decision-making criteria in literature. An entrepreneur should, therefore, ideally possess an ethical orientation upon which ethical decisions are made based on satisfying the following elements of the Patrick and Quinn model as presented by Whittier *et al.* (2006: 245):

- Consider the characteristics of the moral issue in and of itself;
- Focus on real-world applicability or ecological validity;
- Consider the situation and/or context in which the decision is being made;
- Integrate individual and enterprise factors involved in the decision;
- A prescriptive model should consider diverse perspectives, whilst also considering utility, rights, justice and moral values;
- Be capable of recommending ethical decisions;
- Possess the ability to clarify goals, values and needs to enhance ethical decision making; and
- Have the capability to combine knowledge and judgment to make the best possible choice.

Based on the perspectives that are presented in this section, an entrepreneur with an appropriate ethical orientation should thus be able to make ethical decisions that could positively contribute to self-satisfaction, being people or community service-orientated, and with a focus on preserving or protecting the natural environment without necessarily only focusing on the maximisation of economic profits.

2.5.4. Profit maximisation

Fontela, Guzmàn, Pérez and Santos (2006: 3) found that rationality is the key characteristic of entrepreneurial behaviour. Fontela *et al*. (2006: 3) claimed that entrepreneurial rationality inspires a range of actions in the pursuit of profit maximisation. These actions include the rational optimisation of technologies, financial structures and wage policies; in other words entrepreneurial rationality is the unifying principle in the pursuit of profit maximisation at enterprise level (Fontela *et al*., 2006: 3). Does this mean that entrepreneurs with higher rational decision-making tendencies would more likely prefer profit maximisation as a priority from a cognitive orientation point of view? Alternatively, are entrepreneurs with higher emotive inspired decision-making tendencies less likely to focus on profit maximisation?

Without profits, an enterprise would not be economically sustainable and would likewise not be able to survive in order to re-invest in the enterprise for further development and growth purposes. Enterprise growth is a prerequisite for further employment creation opportunities. The owner-manager's mentality is moreover linked to the financial performance of an enterprise (Wijewardena *et al*., 2008: 150). In the reference to "mentality", Wijewardena *et al.* (2008: 155) distinguished between the entrepreneurial and administrative mentalities. According to the findings of an empirical study amongst SME owner-managers in Sri Lanka, the owner-managers possessing an entrepreneurial mentality perform significantly better than those possessing an administrative mentality according to financial performance criteria (Wijewardena *et al.,* 2008: 157). The entrepreneurial mentality is characterised by the following main types of activities, according to De Zoysa and Herath (2007: 656):

- The discovery and commercial exploitation of entrepreneurial opportunities;
- The ability to adapt according to future growth and development objectives; and
- The ability to make strategic decisions under discontinuous environmental change conditions.

The administrative mentality, according to De Zoysa and Herath (2007: 656), is likewise associated with the following types of activities:

- Implements plans that are developed by the entrepreneur;
- The ability to adapt with the emphasis on enterprise stability and profitability; and
- Management of day-to-day activities under conditions of continuous environmental change.

However, De Zoysa and Herath's (2007: 656) linking of the entrepreneurial mentality to strategic decision making under conditions of discontinuous environmental change is not consistent with the literature on entrepreneurial decision making. The typical entrepreneur is rather associated with

strategic decision making under conditions of turbulence and uncertainty where change is continuous and unpredictable (Parnell *et al.,* 2012: 547; Wang *et al.,* 2013: 253; Wang & Fang, 2012: 313). Yet, despite the inconsistency of linking stable environmental or market conditions to typical entrepreneurial strategic decision making, the empirical findings of Wijewardena *et al.* (2008: 157) are noteworthy, because the other two criteria that define the entrepreneurial mentality concept are consistent with the entrepreneurial literature in defining the typical entrepreneur.

Financial and non-financial performance measures of a small enterprise may vary according to the stage of an enterprise in its life cycle (Simpson *et al*., 2012: 276; Wijewardena *et al.,* 2008: 153). Simpson *et al.* (2012: 273) asserted that the growth or profitability of a small enterprise does not always define enterprise success or performance, because small enterprises generally have a range of other goals that they pursue. Some of these other goals could be lifestyle preferences or a survivalist attitude where profit is less important (Morrison, 2006: 194; Murphy & Kielgast, 2008: 91).

Based on the above-mentioned perspectives of profit maximisation, this study argues that there are differences in decision-making preferences according to cognitive, emotive decision styles and different entrepreneurial types. There are also differences in the preferences for profit maximisation in entrepreneurial decision making based on some demographic characteristics of entrepreneurs.

2.5.5. Customer satisfaction

Customers play an important role in determining or co-determining enterprise performance (Sutton, 2015: 302; Wood, 2002: 442). It implies that the higher the number of customers that support an enterprise, the better the enterprise performs provided that the average per customer spending remains the same. The inter-relationships between service quality, speed of delivery and customer satisfaction are highlighted above in Sections 2.5.1 and 2.5.2 respectively. Customer service aimed at satisfying customer needs could either lead to customer satisfaction and customer loyalty (Bielen & Demoulin, 2007: 177) or the opposite where it could lead to customer dissatisfaction and abandonment.

Customer satisfaction and enterprise performance are related concepts and references qualifying this relationship are widespread (Agarwal *et al*., 2003; De Burca *et al*., 2006; Eggers *et al*., 2013; Gray, Matear, Boshoff & Matheson, 2002; LeHew & Wesley, 2007; Nadiri & Hussain, 2005; O'Neil *et al*., 2000; Pizam & Ellis, 1999; Reijonen & Komppula, 2007; Sutton, 2015; Zhang & Morrison, 2007). Section 2.7.1 addresses customer satisfaction in more detail as it pertains to tourism enterprise performance.

Therefore, based on the important influences of customer service and customer satisfaction on customer loyalty and enterprise performance, it is expected that an entrepreneur should possess a cognitive model through which decision outcomes could be shaped to satisfying customer needs.

2.5.6. Impact on the natural environment

The triple bottom line (TBL) concept refers to enterprise decision making which is based on satisfying socio-ethical, natural environmental sensitivity and economic profit-taking aspects (Darcy, Hill, McCabe & McGovern, 2014; 398; Dos Santos, Svensson & Padin, 2014: 515; Svensson & Wagner, 2015: 195; Waite, 2014: 16). This study argues that economic profit-taking should follow after satisfying the socio-ethical needs of the relevant stakeholders and the safeguarding of sensitive natural environmental aspects, based on the principle of "…mutual satisfaction…" as emphasised by Conti (2006: 302). The principle of mutual satisfaction could be extended to link customer satisfaction with the safeguarding of the natural environment approach, specifically for customers in the tourism industry where sensitivity to the protection of natural environments is highly valued by eco-tourists.

How do enterprises make an impact on natural environments? Nejati and Amram (2013: 12) reported that enterprises could have an effect on natural environments as follows:

- Enterprises utilise natural resources.
- Enterprises compete in the same markets.
- Enterprises enrich the local communities through job creation.
- Enterprises could transform the landscape due to mineral extraction, for instance.
- Enterprises could distribute wealth through dividends and wages.
- Enterprises could contribute towards climate change through green-house gas emissions.

However, despite the negative impacts of various enterprise activities on environmental sustainability, entrepreneurs could contribute to sustainability initiatives by creating innovative strategies to manage natural environments (Oxborrow & Brindley, 2013: 355; Waite, 2014: 16). Innovation capabilities are therefore related to efforts in maintaining and sustaining natural environments.

Hence, a mental model incorporating environmental sustainability as part of the TBL is ultimately associated with enterprise performance (Darcy *et al*., 2014; 398; Dos Santos *et al*., 2014: 515; Svensson & Wagner, 2015: 195; Waite, 2014: 16). Svensson and Wagner (2015: 198) echoed this view by referring to an environmental sustainability approach as the essential truth since "…the planet Earth, its life and ecosystems, should be at the core of the sustainability activity of every

business". Environmental-friendly practice in the tourism industry is furthermore regarded as an enterprise performance criterion (Manaktola & Jauhari, 2007: 364).

2.5.7. Summative remarks on decision context

Mental models or cognitive schema are cognitive orientations that determine how an individual thinks and responds to certain situations. Decisions are grounded in individual preferences which are based on contextual variable orientations in an individual's unique mental model. The discussions in Sections 2.5.1 to 2.5.6 above highlighted some aspects concerning quality, speed of response, ethical orientation, profit maximisation, customer service and impact on the natural environment as context-shaping variables that influence mental model development and decision preferences. Defining the inter-relationships between decision context-shaping variables and cognitive/emotive decision making, entrepreneurial type, strategic orientations and enterprise performance in South African small tourism enterprises adds to the entrepreneurship epistemology and ontology.

2.6. STRATEGIC ORIENTATIONS

Enterprises adopt different strategic orientations based on different market conditions (Shepherd *et al.,* 2015; Sundqvist *et al.,* 2012) and/or based on differences in entrepreneurial types (Sundqvist *et al.,* 2012) or individual decision preferences (Lerner *et al.,* 2015; Marcotte, 2014; Shepherd *et al.,* 2015; Sundqvist *et al.,* 2012). This study highlights the key differences of two different strategic orientations, namely that of market orientation and relationships orientation respectively. The interrelationships between entrepreneur type, decision styles, small tourism enterprise performance and the respective preferred strategic orientations of entrepreneurs have furthermore been examined for this research study.

2.6.1. Market orientation

Market orientation (MO) as a concept has been studied extensively and its positive influence as a strategic orientation on enterprise performance is widely recognised (Bozic & Ozretic-Dosen, 2015: 145). Market orientation has also been described as one of the strategic behaviours which leads to competitive advantage (Osuagwu, 2006: 612) and, competitive advantage is positively related to business performance (Porter, 2004).

The seminal work on market orientation was done by Kohli and Jaworski (1990) and Narver and Slater (1990). Market orientation has been defined by Kohli and Jaworski (1990) as the organisation-wide generation of market intelligence focusing on the current and future needs of customers, the dissemination of this intelligence through the organisation and organisation-wide responses to this intelligence. Narver and Slater (1990) conversely defined market orientation as having three behavioural components: a customer orientation, a competitor orientation and an

inter-functional coordination (Javalgi, Martin & Young, 2006: 13). The Kohli and Jaworski definition centres around information and information management, whereas the Narver and Slater definition focuses more on a broader organisational behaviour perspective (Javalgi *et al*. 2006: 13). For that reason this study has adopted the Narver and Slater model which focuses on information gathering and dissemination of customers and competitors within the enterprise (Akbari & Safarnia, 2012: 501).

An overview is forthwith presented to highlight some recent research findings involving market orientation as a construct:

- In a qualitative study involving seven case studies, the usefulness of customer and competitor intelligence as a suitable setting for the development of creativity and innovation within an organisation, is confirmed (Bozic & Ozretic-Dosen, 2015: 145).
- A positive relationship between emotional intelligence and market orientation in a study involving multiple Iranian industries, is empirically confirmed (Akbari & Safarnia, 2012: 497).
- In an empirical study involving 104 retailers in Brazil, market orientation is found to explain the relationship between environmental turbulence and enterprise performance (Diddonet *et al*., 2012: 757).
- Findings from an empirical study involving 660 SMEs in Austria reported an inverse relationship between customer orientation and SME growth (Eggers *et al*., 2013: 524).
- A conceptual study indicated how market orientation enhances customer focus and responsiveness through continuous innovation. The study concluded that the market orientation construct enhances the Six Sigma quality improvement instrument's effectiveness (Eng, 2011: 252).
- In a study by Hooley, Fahy, Greenley, Beracs, Fonfara and Snoj (2003) the influence of market orientation (MO) in service firms on business performance was investigated. Findings from the above-mentioned study indicated that there is a direct and positive relationship between MO and both objective and subjective enterprise performance criteria (Hooley *et al*., 2003: 102).
- In a USA study concerning the applicability of the market orientation constructs for SME studies, the findings confirmed its suitability (Blankson, Motwani & Levenburg, 2006: 572).
- A Malaysian study involving 558 participants revealed that service-driven market orientation has a significantly strong and positive relationship with service quality in an organisation (Voon, 2006: 595).

Based on the findings above, a market-orientated enterprise is expected to perform significantly better than enterprises that are not market-orientated. The usefulness of the market orientation construct in SME studies is confirmed (Blankson *et al.,* 2006: 572; Bozic & Ozretic-Dosen, 2015: 145), the link between service quality, enterprise quality improvement and market orientation is confirmed (Eng, 2011: 252; Voon, 2006: 595), the market orientation and enterprise performance relationship is confirmed (Diddonet *et al.*, 2012: 757; Hooley *et al*., 2003: 102), market orientation influences the creativity/innovation performance in an enterprise (Bozic & Ozretic-Dosen, 2015: 145), and the positive relationship between emotional intelligence and market-orientated enterprises is established (Akbari & Safarnia, 2012: 497). However, in a contradictory finding, Eggers *et al.* (2013: 524) determined that there is an inverse relationship between customer orientation, as a component of the market orientation construct, and enterprise growth. Interpreting this contradictory finding, it is possible that the absence of the other two components, competitor orientation and inter-functional coordination, influenced the findings negatively. It therefore needs to be established what the respective influences of customer orientation, competitor orientation and inter-functional coordination are relative to enterprise performance in a variety of contexts.

This study, however, focused on the combined roles of customer orientation, competitor orientation and inter-functional coordination within the market orientation construct as it relates to entrepreneur type, decision style, decision context and small tourism enterprise performance.

2.6.2. Relationships orientation

It was Grönroos who initially developed the seminal conceptualisations of relationship-based marketing as opposed to the traditional transactional marketing paradigm (Iglesias, Sauquet & Montana, 2011: 631). The rationale seems to be that through relationship building, individuals and enterprises can communicate on a personal level, create trusting relationships, and bond and commit to one another. The latter process creates a platform for regular marketing communication in a trusting environment. The relationship marketing approach is therefore more appropriate for service-oriented enterprises (Iglesias *et al.*, 2011: 632).

Relationships-oriented strategic orientation (RO) measures the extent to which an enterprise engages in developing a long-term relationship with its customers (Tse *et al*., 2004: 1162). Furthermore, a business that adopts an RO will improve its business performance (Sin, Tse, Yau, Lee & Chow, 2002: 656). Therefore, the adoption of an RO as a strategic orientation for entrepreneurs or owner-managers would contribute to the improved perception of superior customer service, while simultaneously contributing to making profit and creating competitive advantage (Sin *et al.,* 2002: 658). RO is a multidimensional construct consisting of the following six behavioural components: trust, bonding, communication, shared value, empathy and reciprocity (Van Zyl & Mathur-Helm, 2007: 20; Van Zyl & Mathur-Helm, 2008: 202).

In a study by Sin, Tse, Chan, Heung and Yim (2006) the moderating effect of economic ideology on the relationship between the blend of MO and RO as strategic orientations and business performance was investigated. The study contrasted the effects of MO and RO on business performance in Hong Kong's more stable market-driven economy versus Mainland China's more unstable, regulated and transitional economy. Sin *et al*. (2006: 48) confirmed the hypothesis that the application of RO as a strategy is more dominant than MO in highly uncertain economic environments when trying to achieve business performance compared to that of Mainland China, which is regarded as a developed economy. Conversely, the impact of MO as a customer-driven strategy on business performance is more dominant than RO (relationship-building) in more stable economic environments as in Hong Kong (Van Zyl & Mathur-Helm, 2008: 203).

An overview is forthwith presented to highlight some recent research findings involving relationships orientation as a construct:

- The positive relationship between organisational culture and RO was determined in a Spanish study having applied a grounded theory methodology (Iglesias *et al.,* 2011: 632).
- The positive link between customer satisfaction and RO was established in an empirical study involving 174 enterprises from the emerging Vietnamese market economy (Ngo, Le & Lee, 2010: 1).
- The positive relationship between Chinese cultural concepts, *guanxi* (personal relationships) and *xinyong* (personal trust), and enterprise performance has been confirmed (Leung, Lai, Chan & Wong, 2005: 528).
- A study on Malaysian enterprises revealed that MO and RO are related, and that both concepts influence business performance positively (Wadeecharoen & Mat, 2010: 131).
- In a study involving 63 hotels in Hong Kong, the significant positive relationship between RO and financial performance was confirmed (Sin *et al*., 2006: 407).
- A study in China to determine the relative importance of MO and RO for different strategies revealed that MO and RO are both important for market leaders; that MO is more important than RO for market challengers; and that RO is more important than MO for market followers and market nichers (Tse *et al*., 2004: 1169).
- Another study in China involving service-oriented enterprises determined that RO influences enterprise performance on a variety of parameters (Sin *et al*., 2002: 656).
- A study involving 450 bank clients in Amman, Jordan, confirmed that there is a significant positive relationship between RO and customer loyalty (Alrubaiee & Al-Nazer, 2010: 155).

Based on the findings above, an enterprise with a high relationships orientation is expected to perform significantly better than an enterprise with a lower relationships orientation. There are however questions that need to be answered because different entrepreneur types with different decision styles or preferences may select different (MO or RO) marketing strategies. This study provides answers to some of the questions pertaining to the interrelationships of MO and RO as respective strategic approaches with entrepreneur type, decision style, and decision context as well as small tourism enterprise performance.

2.7. SMALL TOURISM ENTERPRISE PERFORMANCE

Various enterprise performance parameters are recorded and used in research today. This section provides a contextual overview of the tourism-related aspects in the subsection, “Tourism in context”. The “Tourism value chain” subsection presents three different perspectives or alternatives to clarify the typical value chain activities within the tourism industry. The “Tourism performance” subsection presents an overview of enterprise performance criteria as applied by a large variety of studies. This section further distinguishes between objective and subjective performance measurement criteria (Subsections 2.7.7 and 2.7.8) with specific reference to some tourism studies. This section finally concludes with an overview of parameters that could moderate enterprise performance.

2.7.1. Tourism in context

This section presents the generic value-chain concept of Porter (2004: 35-37) in order to distinguish between the various activities in a value chain model. It continues with presentations of some tourism integrated variations of the value chain concept to illustrate the inter-relationships of activities and the role-players within the tourism value chain.

Various studies have indicated the impact cultural differences have on tourism decision making. The Weiermair Destination Tourism Value Chain Model (Weiermair, 2000) highlights how cultural differences impact on tourist decision making, especially when tourists travel to international destinations. Cultural variations in the perception of service quality are also described by Weiermair (2000). The Yilmaz and Bititci Tourism Performance Value Chain Model (Yilmaz & Bititci, 2006) provides a conceptual model of how to measure performance across the entire tourism value chain. Both of these above-mentioned tourism value chain models accentuate customer (tourist) satisfaction and regard it as an indicator of acceptable or high performance. Hence a variety of service quality measurement tools are also compared and contrasted with reference to the tourism value chain models.

A discussion on the European Customer Satisfaction Index (ECSI) Model (Chitty *et al*., 2007) follows on the two tourism value chain model presentations. The link between the tourism value

chain models and the ECSI is customer satisfaction. The ECSI provides further insight into some antecedents to customer satisfaction which may eventually proceed to customer loyalty. Loyal customers continue to support high-performing businesses and these loyal customers usually also promote the businesses to others through “word-of-mouth”. This has benefits for high-performing businesses through repeat or returning customers, but also for new customers.

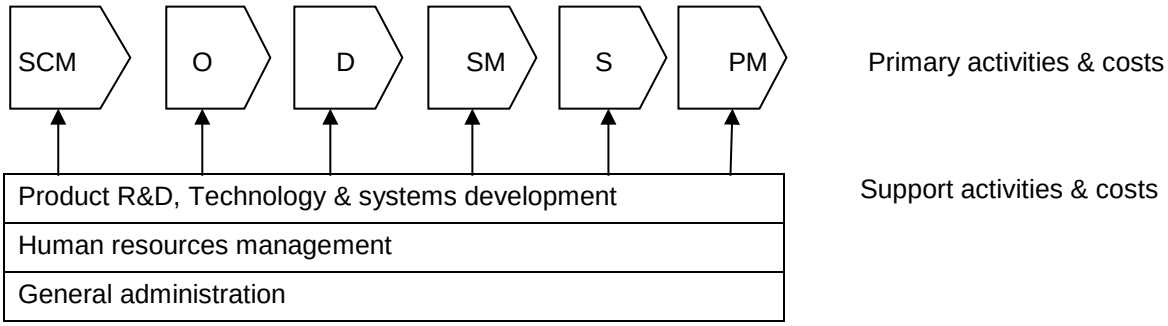
Small tourism enterprise performance is therefore related to customer satisfaction and customer loyalty. The latter could be measured with tools such as SERVQUAL; SERVPERF and HOTELZOT for instance. An overview of these tools is presented later in this section. There are also other aspects that could be measured in order to assess tourism enterprise performance. The value chain models mentioned above distinguish between customer-related performance criteria and internal (enterprise)-related performance criteria. These criteria could be categorised into objective and subjective (judgmental) performance criteria. A discussion of these criteria will follow on the ECSI model presentation.

In order for an enterprise to perform, there are certain critical preceding factors that need to be in place. A discussion on the antecedents to tourism enterprise performance will follow after the discussion of the different objective and subjective performance criteria. There are also certain factors that may influence or moderate the performance of an enterprise. The latter discussion will conclude the section on tourism in context. The discussions on tourism in context will lastly also clarify and justify the selection of the specific tourism performance measures that were applied during the empirical phase of this study.

It seems from the above-mentioned discussion as if small and large tourism enterprise performance criteria are largely similar with the main differences in how owner-managers are able to interact with tourists on a one-to-one personal level.

2.7.2. Tourism value chain

The value chain concept and its relationship to industry and/or firm level competitive advantage was initially described by Porter (2004: 46-47) in his classic study. Porter (2004: 45) defined the value chain as that range of individual value activities or functions that collectively make up the entire value addition process within an industry or within a firm, as illustrated in Figure 2.3.



SCM: Supply chain management
O: Operations
D: Distribution
SM: Sales & marketing
S: Services
PM: Profit margin

Figure 2.3: Porter's Generic Value Chain Model

Source: Adapted from Thompson, Strickland III, Gamble, Peteraf, Janes and Sutton, 2012: 118.

Porter (2004: 46) proposed a Generic Value Chain Model consisting of various components (see Figure 2.3).

- Each of the components in Figure 2.3 could also have human resources management, technology development, and procurement subdivisions respectively. All of these components collectively would then define industry or firm level competitive advantage or performance.

Tourism value chain models were developed based on the fundamentals and compositional elements of Porter's Generic Value Chain Model. The following paragraphs consider relevant value chain models in order to compare and/or distinguish between various applications of this concept within the tourism context.

Porter's value chain model is still widely applied across various industries today.

2.7.3. Weiermair's Destination Tourism Value Chain Model

Weiermair (2000: 400) presented a Destination Tourism Value Chain Model and illustrated how culture influences various components in the value chain. According to Weiermair (2000: 400), the following components make up the tourism value chain:

- Advertising,
- Destination information reservation and booking systems (DIS),
- Transport to the destination,
- Services experienced at the destination,
- Return transport to sending region, and

- After sales service.

The advertising component in Weiermair's model deals with the creation and maintenance of destination awareness and image; the DIS component focuses on the speed and quality of information provided to tourists; the transport to and from the destination components deal with the mode of transport tourists would use as well as the tourist experiences associated with the range and level of services during tourist travelling; the services experienced at the destination would for instance include accommodation, recreation and food; and lastly, the after sales service component would accommodate feedback from tourists regarding their experiences and to promote customer loyalty for future sales opportunities (Weiermair, 2000).

Each of these above-mentioned components in the value chain would depend on high quality services which would eventually determine overall customer (tourist) satisfaction. Customer satisfaction leads to customer loyalty and this may eventually also influence tourism enterprise performance (Eraqi, 2006; Yilmaz & Bititci, 2006: 380). In the latter context it would therefore seem important for tourism enterprises to ensure that their services to tourists would result in customer satisfaction.

2.7.4. Yilmaz and Bititci's Tourism Performance Value Chain Model

Yilmaz and Bititci (2006) proposed a tourism value chain model focusing on performance management rather than emphasising a distribution channel or a market orientation focus. The authors argued that a customer-orientated approach, whilst measuring and managing the tourism value chain as a whole, would have higher value than alternative value chain approaches (Yilmaz & Bititci, 2006: 381).

Yilmaz and Bititci's (2006) Tourism Performance Value Chain Model (TPVCM) consists of the following components:

- Win order,
- Pre-delivery support,
- Delivery (transport, accommodation and inbound activities), and
- Post-delivery support.

Tour operators and outbound travel agents are involved as intermediaries during the "win order" and "pre-delivery support" phases of this value chain model. Transport providers and accommodation facilitators, with incoming travel agents, are the service providers during the "delivery" phase. All the latter service providers assess customer satisfaction as an indicator for potential corrective action during and after the service delivery and post-delivery support activities (Yilmaz & Bititci, 2006: 381).

The Yilmaz and Bititci's (2006) model distinguishes between performance variables that are either customer-related or internal/enterprise-related. The internal/enterprise-related component of the tourism service provider's performance measurement in the Yilmaz and Bititci's (2006) model mentions the following examples as performance measurement variables:

- Enterprise profitability or productivity,
- Cost,
- Cash flow, and
- Capacity management.

According to Yilmaz and Bititci (2006: 382), service quality and marketing effectiveness are customer-related examples of performance variables.

The TPVCM is however a multi-dimensional performance measurement tool. This measurement instrument was designed to measure overall tourism performance inclusive of the customer- and internal tourism service provider's points of view. The customer satisfaction measurement in the Yilmaz and Bititci's (2006) model incorporates the following Parasuraman *et al*.'s (1990) SERVQUAL (service quality) instrument dimensions:

- Reliability
- Assurance
- Tangibles
- Empathy
- Responsiveness.

The SERVQUAL instrument measures customer expectations of service delivery as well as customer perceptions of the service quality performance (Nadiri & Hussain, 2005: 473). It has been applied empirically to measure customer satisfaction in a variety of contexts. The following paragraphs compare and contrast a few of these studies.

Atilgan *et al.* (2003) investigated service quality perceptions of Russian and German tourists in Turkey. The researchers determined that Russian and German tourists had distinctly different perceptions of service quality due to their cultural differences. Culture therefore plays a role in service quality perceptions and related decision making. Tourism enterprises should plan and orientate themselves accordingly in order to satisfy tourists from a multicultural point of view. This is particularly relevant in the multicultural South African context as well.

Nadiri and Hussain (2005) applied the adapted SERVQUAL instrument, the SERVPERF (service performance) instrument, in Northern Cyprus hotels. The SERVPERF instrument has a one-

dimensional approach which is limited to measuring customer perceptions of service performance and does not measure customer expectations of service quality. The findings of the Nadiri and Hussain (2005: 477) study illustrated how European customers (or tourists) perceive service quality through tangible and intangible dimensions. This study revealed that service quality alone is not sufficient for the development of customer satisfaction. Service quality without a high quality physical environment would seem to be insufficient for the development of customer satisfaction in the North Cyprian context.

Nadiri and Hussain (2005) in another study applied the adapted SERVQUAL instrument, the HOTELZOT (hotel zone of tolerance) instrument, and determined that European customers in North Cyprus displayed a narrow zone of tolerance for service quality when tangible and intangible dimensions of service quality were assessed. The zone of tolerance refers to the gap between what customers regard as “desired” service quality and “acceptable” service quality.

In a study of Egyptian accommodation enterprises, Eraqi (2006) described how service quality influences customer satisfaction. The importance of service quality was emphasised in this study as a requirement in the process of creating competitive advantage. The Tourism Service Quality (TourServQual) instrument that was used in this study was developed from the SERVQUAL and SERVPERF instruments. This study found that employee and customer satisfaction and the efficiency of the related processes are necessities for the improvement of service quality. The researcher also averred that a creative and innovative enterprise environment fuels service quality improvement initiatives and decision making (Eraqi, 2006: 489). This suggests that the owner-manager and employees of tourism enterprises should possess and express their respective creative and innovative behaviours since these behaviours contribute to service quality improvement. The link between creative and innovative behaviour and service quality is therefore emphasised.

In another study, Juwaheer (2004) investigated service quality in Mauritian hotels. The reliability dimension of the SERVQUAL instrument emerged as the best predictor of customer loyalty. Customer loyalty is the result of service quality and customer satisfaction. Customers therefore regarded consistent and reliable service as an important decision parameter for continued enterprise support.

O’Neil *et al.* (2000) indicated how important management’s commitment to service quality is. An adapted instrument, DIVEPERF (dive performance), which was derived from the SERVQUAL instrument, was used in this study. This instrument assessed how customer-orientated diving tour operators were. The performance of diving tour operators was strongly linked to the quality of the services they rendered.

2.7.5. European Customer Satisfaction Index (ECSI)

The European Customer Satisfaction Index (ECSI) was developed to measure customer satisfaction and customer loyalty of backpackers who made use of a selection of Australian backpacker lodges (Chitty *et al*., 2007). Chitty *et al*. (2007) described the impact of some antecedents to customer satisfaction and loyalty and also provided a conceptual framework of customer loyalty. The following were described as the antecedents to customer satisfaction:

- The image of the brand or the physical facilities of accommodation;
- The customer's perception of the technical dimensions after a service encounter;
- The functional dimensions or perceived quality of the service process;
- The price paid for the services or products which is actually a perception of cost;
- The perceived value is something that a customer links to the costs incurred relative to the value received.

In the ECSI Model, as indicated in Figure 2.4, the antecedents (image, technical dimensions, functional dimensions and price) collectively and individually moderate the customer's perception of value (Chitty *et al*., 2007: 565). Acceptable levels of value perception create feelings of satisfaction within customers. Satisfied customers become loyal customers (Dickson & Huyton, 2008; Högström, 2011; Juwaheer, 2004; Mak, 2011; Ramanathan & Ramanathan, 2011; Venetis & Ghauri, 2004) and eventually contribute towards enterprise performance (Agarwal *et al*., 2003; De Burca *et al*., 2006; Gray *et al*., 2002).

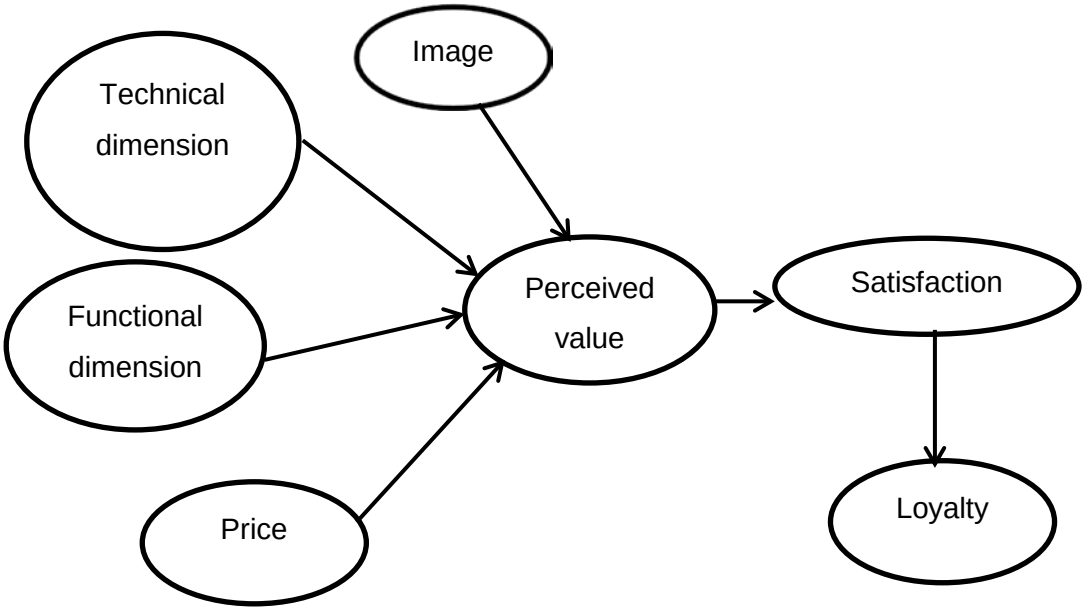


Figure 2.4: ECSI Framework of customer loyalty

Source: Adapted from Chitty, Ward and Chua, 2007: 565.

The value chain models described above provide different perspectives of some value addition processes, each with their respective role-players who are active in the tourism industry. Value remains a key aspect influencing customer decision making (Sharma & Christie, 2010). Customer satisfaction emerges as a very important focus area for each role-player or service provider across the whole tourism value chain. Customer satisfaction remains a common denominator for enterprise performance whether in the tourism industry or not.

References in the literature to the positive link between customer satisfaction and enterprise performance are widespread (Agarwal *et al*., 2003; De Burca *et al.*, 2006; Gray *et al*., 2002; LeHew & Wesley, 2007; Nadiri & Hussain, 2005; O'Neil *et al*., 2000; Pizam & Ellis, 1999; Reijonen & Komppula, 2007; Taskov, Metodijeski, Dzaleva & Filipovski, 2011; .Zhang & Morrison, 2007). Therefore, what is meant by enterprise performance and how it could be measured in a small tourism enterprise should be further explored. The next section elaborates on this by presenting an overview of small tourism enterprise performance measures.

2.7.6. Tourism performance criteria

There is more than one way to assess a tourism enterprise's performance. Depending on preference (choice) or circumstances, either objective performance criteria or subjective performance criteria or even a combination of both types could be used to assess enterprise performance. Given the different objective and subjective tourism enterprise performance aspects, a more detailed investigation into the application and respective findings of each from other studies would seem appropriate to relate it to the objectives of this study.

2.7.7. Objective performance criteria

Measures that are quantifiable and exact (specific) are referred to as objective performance measures. Objective enterprise performance measures make it easier to compare different enterprises with one another. Access to reliable objective measures of small enterprises however remain a problem for researchers because this information is not readily available in the public domain. It therefore depends on the owner-managers of small enterprises to reveal this information to researchers when requested to do so. The latter has always been a well-reported problem area for research on small enterprises. It is therefore assumed that when information in this domain is provided to researchers from the small enterprise community, that it reflects a true representation of reality.

The following are examples of objective enterprise performance measures: occupancy rate, number of customers, number of employees, and turnover, profitability, break-even-point, productivity, price and cost. The full range of accounting variables could be added to this list, but a

discussion of a selection of appropriate objective measures will provide better understanding of the spectrum of objective enterprise performance measures.

The occupancy rate is calculated as a percentage expression of the number of bed nights sold relative to the maximum number of bed nights available over a specific period of time. Higher percentages reflect a better position for the accommodation enterprise that it refers to. It is actually also a reflection of the number of customers that supported the accommodation enterprise (Akbaba, 2012: 177; Agarwal *et al*., 2003; Morrison & Teixeira, 2004; Taskov *et al.*, 2011: 10; Varum, Melo, Alvarenga, & De Carvalho, 2011: 19; Yilmaz & Bititci, 2006). Yilmaz and Bititci (2006: 382) proposed that occupancy rate should be part of a performance measurement assessment of tourism enterprises. Agarwal *et al.* (2003) for instance reported higher occupancy rates in more market-orientated United States of America (USA) hotels. Hotels that were less market orientated obtained lower occupancy rates. More innovative hotels furthermore obtained even higher occupancy rates. Market orientation and innovativeness had distinct moderating effects on occupancy rates in these USA hotels. Morrison and Teixeira (2004: 169) studied Scottish accommodation enterprises and found that the average occupancy rate of these enterprises varied between 60% and 80% throughout the year. Owner-managers of these small accommodation enterprises also indicated that an occupancy rate of 25% on average would account for their total costs. Therefore, the Scottish small accommodation enterprises were profitable once they exceeded a 25% occupancy rate on average throughout the year. Would these factors be the same in the South African context and if so, to what extent would market orientation and innovation influence enterprise performance?

A tourism enterprise is regarded to be performing well when the enterprise becomes profitable, that is, when enterprise income exceeds enterprise costs. The profitability of a tourism enterprise was accentuated as a performance parameter in various previous studies (Akbaba, 2012: 177; Bastakis *et al*., 2004; Buhalis, 2000; Getz & Petersen, 2005; Lerner & Haber, 2001; Phillips & Louvieris, 2005; Varum *et al.*, 2011: 19). These studies were all in agreement that the higher the profitability of an enterprise the better the performance of that enterprise. Profitability and market share, together with the occupancy rate of an accommodation enterprise, are labelled as objective performance criteria (Akbaba, 2012: 177; Agarwal *et al*., 2003; Gray *et al*., 2002; Jogaratnam & Tse, 2006; Nwokah, 2008; Wood, 2002; Varum *et al*., 2011: 19; Yilmaz & Bititci, 2006). The average occupation rate in South Africa during the 2014 season varied between 46.9% and 56.1% (Stat SA, 2014:5).

Lerner and Haber (2000: 84) established in an Israeli tourism study that the number of tourists (nights of accommodation or visits) constitute a demand measure, which reflects the revenues of a tourism business. This means that the numbers of customers of an enterprise are related to the

amount of revenue generated for that enterprise. This can however only be true if the customers pay a fixed rate for essential services. In cases where there are diverse products or service offerings, it would also become important to know the amount of customer spending.

Rahman (cited in Wood, 2002: 203) used a combined organisational performance measure which includes revenue, profit and number of customers in an Australian tourism study to assess business performance. According to Wood (2006), owner-managers have different objectives for being in the tourism business, which are survival, lifestyle, or growth. If the enterprise has a growth objective, then the number of customers, number of employees, amount of customer spending and enterprise profitability, would be important. For lifestyle and survival objectives, the number of employees would not be significant for performance; however, number of customers and amount of customer spending and profitability would be vital. It was very important for this study to identify how many tourism enterprises are actually growth-orientated, because growth and employment creation are linked.

This study identified a variety of additional objective enterprise performance criteria in the literature. These criteria are listed below. Some of these objective measurement criteria however overlap and for that reason this study argue that the number of customers (new and loyal), the amount of customer spending, profit margin, and the number of employees, sales revenue and costs (total and employee) would provide a realistic estimate of enterprise performance.

- Market share (Akbaba, 2012: 177; Agarwal *et al*., 2003; Gray *et al*., 2002; Jogaratnam & Tse, 2006; Nwokah, 2008),
- Revenue growth rate, and sales growth (Akbaba, 2012: 177; Cleverdon, 2002; Gray *et al*., 2002; Jogaratnam & Tse, 2006; Morrison & Teixeira, 2004; Nwokah, 2008; Wood, 2002; Yilmaz & Bititci, 2006),
- IT sophistication (De Burca *et al*., 2006),
- Price of product/service (Eraqi, 2006),
- Total sales income/customer spending (Akbaba, 2012: 177; Gray *et al*., 2002; Jogaratnam & Tse, 2006; Wood, 2002),
- Cash flow (Hwang & Lockwood, 2006; Jogaratnam & Tse, 2006; Yilmaz & Bititci, 2006),
- Return on sales (Jogaratnam & Tse, 2006),
- Break-even-point (Morrison & Teixeira, 2004),
- Number of customers (Akbaba, 2012: 177; Wood, 2002);
- Employment growth (Wood, 2002),

- Cost of sales, cost of service, and total cost (Yilmaz & Bititci, 2006),
- Productivity, purchasing cycle time, and speed of service (Yilmaz & Bititci, 2006).

2.7.8. Subjective performance criteria

Subjective enterprise performance measures reflect owner-manager perceptions of reality on certain important aspects of the business. These owner-manager perceptions could however also be over-rated or under-rated reflections of reality. Judgmental performance measurements should therefore be carefully designed in order to reflect the real situation as close to true reality as possible.

The following subjective criteria were identified in the literature as being effective and efficient indicators of enterprise performance:

- Service quality (Agarwal *et al*., 2003; Akbaba, 2012: 177; Atilgan *et al*., 2003; Augustyn, 1998; De Burca *et al*., 2006; Dickson & Huyton, 2008; Eraqi, 2006; LeHew & Wesley, 2007; Mak, 2011; Manaktola & Jauhari, 2007; Nadiri & Hussain, 2005b; O'Neil *et al*., 2000; Pizam & Ellis, 1999; Ramanathan & Ramanathan, 2011; Venetis & Ghauri, 2004; Weiermair, 2000; Yilmaz & Bititci, 2006; Zehrer, 2009),
- Customer satisfaction (Agarwal *et al*., 2003; Akbaba, 2012: 177; Atilgan *et al*., 2003; Chitty *et al*., 2007; Eraqi, 2006; Gray *et al*., 2002; Högström, 2011; Hwang & Lockwood, 2006; Juwaheer, 2004; LeHew & Wesley, 2007; Morrison & Teixeira, 2004; Nadiri & Hussain, 2005; Pizam & Ellis, 1999; Ramanathan & Ramanathan, 2011; Reijonen & Komppula, 2007; Weiermair, 2000; Yilmaz & Bititci, 2006),
- Customer loyalty, locating and retaining customers (Chitty *et al*., 2007; Gray *et al*., 2002; Mak, 2011; Ramanathan & Ramanathan, 2011; Venetis & Ghauri, 2004; Wood, 2006),
- Employee satisfaction, and employee welfare (Agarwal *et al*., 2003; Dickson & Huyton, 2008; Kyriakidou & Gore, 2005; Reijonen & Komppula, 2007),
- Employee and management learning, and organisational learning (Collins, Buhalis & Peters, 2003; Kyriakidou & Gore, 2005);
- Marketing and networking skills, partnering and networking, relationships in enterprise networks, actors/role-players in networks, and network structures (Collins *et al*., 2003; Hwang & Lockwood, 2006; Stokes, 2006; Venetis & Ghauri, 2004),
- Brand awareness (Gray *et al*., 2002),
- Website technology know-how (Hills & Cairncross, 2011),
- Teamwork (Kyriakidou & Gore, 2005),

- Marketing effectiveness (Leisen, Lilly & Winsor, 2002; Yilmaz & Bititci, 2006),
- Safety considerations (Levantis & Gani, 2000),
- Environmental friendly practices (Manaktola & Jauhari, 2007),
- Tourism consumer experience and brand bonding (Akbaba, 2012: 177; Mitchell & Orwig, 2002),
- Value for money (Ramanathan & Ramanathan, 2011; Sharma & Christie, 2010),
- Competitiveness (Snyman & Saayman, 2009; Zhang & Morrison, 2007),
- Ethical values (Akbaba, 2012: 177; Yeung, Wong & Chan, 2002);

2.7.9. Moderators of performance

The level of enterprise performance could be influenced by a range of demographic control variables. Some of these variables may enhance performance whilst others may inhibit performance. It is therefore necessary to assess the level of enterprise performance against those demographic variables that influence performance of enterprises in previous studies. The following control variables were identified in the literature as moderators of enterprise performance:

- Age of the main decision-maker (Oshagbemi, 2004);
- Age of business, attitude to quality, marketing planning, promotional tools used and owner-manager's reasons for being in business (Wood, 2002);
- Gender (Oshagbemi & Gill, 2003; Schyns & Sanders, 2005);
- Culture (language as a marker of culture) (Robie, Johnson, Nilsen & Hazucha, 2001);
- Number of employees (Audretsch, 2012: 756; Ha-Brookshire, 2009);
- Access to resources (Morrison, 2006);
- Motivation to be in business (survival, lifestyle or growth)(Morrison, 2006; Dweck, 2006; Getz & Carlsen, 2000; Murphy & Kielgast, 2008; Reijonen & Komppula, 2007; Reijonen, Párdányi, Tuominen, Laukkanen & Komppula, 2014; Wood, 2002; Weiermair, 2000);
- Education of decision-makers (Morrison & O'Mahony, 2003), and amount of training undertaken (Wood, 2002);
- Marketing consortium benefits: networking, economies of scale, marketing expertise, technology and distribution network access, education and training support, and pooled financial resources (Morrison, 1998);

- Environmental friendly practices persuade customers to support enterprises subscribing to such principles (without having to pay for it in one way or another) (Manaktola & Jauhari, 2007);
- Speed and sustainability of service quality emphasised, and interdependency of service providers along the tourism value chain emphasized (Yilmaz & Bititci, 2006).

Based on the reluctance of some small entrepreneurs to reveal information about access to resources (Verhees & Meulenberg, 2004: 134; Wijewardena *et al.,* 2008: 155), this study excludes access to resources as a measure of small accommodation enterprise performance. Marketing consortium benefits is additionally also excluded as a measure of performance in this study since the focus of this study is on entrepreneurial (individual) decision-making within an accommodation enterprise context. This study therefore argues that the following identified demographic control variables are important in order to assess for differences or similarities within the categories of the identified constructs of this study:

- Age of the venture,
- Age of the owner-manager,
- Years of experience in the tourism industry,
- Number of employees,
- Highest educational qualification of the owner-manager,
- Gender,
- Home language (as an indicator of culture),
- Motivation to be in the business, and
- Geographic location of the business.

2.7.10. Summative remarks for small and micro accommodation enterprise performance

A large number and a wide variety of objective and subjective enterprise performance criteria were identified for consideration and application for this research study. It is not practical to use such a wide variety in one study, and hence the question the researcher had to answer, was: which parameters should be used to assess small tourism enterprise performance effectively? From previous tourism studies (Wood, 2002 & 2006; Lerner & Haber, 2001) it is noteworthy to learn that the number of customers, the number of employees, the enterprise profitability and the amount of customer spending reflect tourism enterprise performance effectively. The latter assessment criteria are a combination of objective and subjective performance measures. According to previous studies on SMEs, owner-managers are hesitant to share the exact objective performance data with researchers, but it was also found that subjective enterprise performance measures correlate well with objective measures of performance (Matsuno, Mentzer & Özsomer, 2002: 24).

Hence, this study argues that the number of customers or tourists that support an enterprise would be a good indicator of the value proposition of the business. A further indicator of enterprise performance is to distinguish between the total number of customers and the number of loyal or repeat customers of the business. If the numbers of customers increase, but the cost increases are higher, it would impact negatively on the profitability of the enterprise. Therefore, performance indicators such as customer spending, sales revenue, total costs and profit margin should also be part of the bouquet of performance measures in order to assess the enterprise performance more holistically. Since enterprise growth is associated with employment creation, it is furthermore argued that the number of employees and employee costs would additionally provide a much more balanced assessment of enterprise performance.

This study therefore argues that the following small tourism enterprise performance indicators could assess enterprise performance more holistically:

- Number of customers
- Customer spending
- Profit margin
- Number of employees
- Number of loyal customers
- Sales revenue
- Total costs
- Employee costs.

2.8. ENTREPRENEUR AND ENTERPRISE SYSTEMS CONTEXT

Systems theory is about relations and relationships, synergy, complexity, and connectivity, amongst others. Whilst considering this, Anderson *et al*. (2012: 962) argued that entrepreneurship is about being connected and shaped by context, and therefore implied that systems theory is a more relevant theory for considering the entrepreneurship phenomenon compared to the predominant economic theories that previously shaped the understanding of entrepreneurship as study domain. Therefore, if Anderson *et al*. (2012: 962) argued that entrepreneurship is about being connected and shaped by context, and by implication they suggested that systems theory is a more relevant theory than the predominant linear economic theories that shaped the understanding of the entrepreneurship phenomenon over the last number of years, an overview of the systems context could further clarify the relevance of systems theory within the entrepreneurship epistemology.

According to the General Theory of Systems, a “system” is referred to as any *whole* consisting of a set of components and a set of their relations (Mulej *et al.,* 2004: 50). For this reason, the owner-

manager or entrepreneur could be seen as a functional human system consisting of various subsystems such as the physiological system, the psychological system and the spiritual system. These human subsystems are integrated and rely on each other for continuous and synchronised functioning. Human decision making is therefore also a function of the harmonious interplay of the mentioned (or even more) subsystems. The systems perspective does however not stop at the human interface, but extends to include the environments which surround the individual. Morrison, Rimmington and Williams (cited in Van Zyl & Mathur-Helm, 2008b) described how the entrepreneur, enterprise, and external environment intersect to form a broad business system. In a broad business system the role of the entrepreneur as decision-maker seems vital, especially where the enterprise is small with not too many other employees impacting on the decision-making process. Therefore, the smaller the enterprise the more prominent the role of the entrepreneur, because the intersection between these two subsystems (entrepreneur and enterprise) is substantial as illustrated in Figure 2.5. The distances between the circles in Figure 2.5 illustrate the relative distances between the entrepreneur, as most important decision-maker, and employees with the respective functional management areas in the business. Owner-managers of small businesses have to manage fewer employees, for instance, and therefore have much more direct control of all the employees with all the functional management systems compared to bigger enterprises.

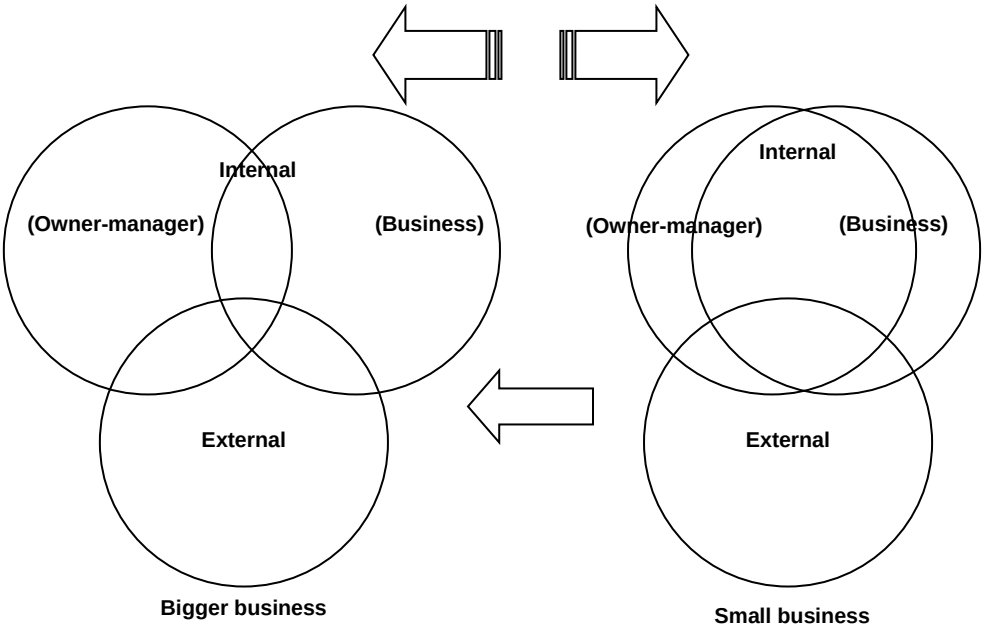


Figure 2.5: Entrepreneur and business system constituents

Source: Adapted from Van Zyl and Mathur-Helm, 2008b.

Conti (2006: 298) claimed that the link between systems thinking and quality management is through relations, but more specifically through the value exchanges that take place in such

relations. In small enterprises, the values exchanges between owner-managers and employees or external stakeholders, such as customers or investors, are therefore critical to ensure value that can render business performance. The capability to enhance the value generating ability of organisations is based on relations that depend on trust, openness, willingness to share information and build knowledge together, mutual respect and empathy (Conti, 2006: 303); and furthermore, managing stakeholders is a strategic issue in order to achieve excellence (Conti, 2006: 304). SME owner-managers should therefore endeavour to orientate themselves and their organisations within the environments they operate in in such a way that the value creation process between their businesses and clients complement sustainable enterprise performance.

Morrison and Teixeira (2004) identified “internal” and “external” environmental factors, as indicated in Table 2.4, within which an SME functions. The internal factors refer to the owner-manager and business systems, while the external environmental factors comprise of the competitive environment, as well as the macro- and micro-economic factors (Morrison & Teixeira, 2004: 169). Hence, from a systems perspective, these environmental factors collectively influence owner-manager or entrepreneurial decision-making capacity. Decision outcomes are therefore subject to the interaction and interdependence of internal and external contextual variables with one another.

Table 2.4: Internal and external environmental factors

Internal	**External**
Owner-manager • Socio-demographic profile • Business entry motivations • Personal and business goals • Management capabilities *Enterprise* • Family involvement • Ownership and organisational structure • Length of time in operation • Involvement in a range of business activities • Staff and skills • Confines of size	• Competitive environment • Degree of embeddedness in community • Demand and seasonality • Geographic location • Human and financial resources • Infrastructure and business support • Micro/macro economy • Micro/macro politics • Natural disaster

Source: Morrison and Teixeira, 2004: 169.

Based on the Business System Constituents model as presented in Figure 2.5, the inter-relationships between some internal and external environmental factors could also be expressed as three integrated and intersecting SME subsystems. In a small business, the intersection between owner-manager and internal business environmental factors or subsystems is substantial.

The explanation for this is that in a business subsystem, as demonstrated in Figure 2.5, if the size of a venture is small with only a few employees, the organisational structure is simple and it also engages in a limited range of business functions. The role of the owner-manager is decisive in every functional part of the venture. The performance of the enterprise therefore depends on the way that the owner-manager exerts influence on the business system as a whole. Peters (2005) confirmed this view by stating that for the performance of an enterprise, entrepreneurial leadership characteristics of owner-managers would seem to be of vital importance. Furthermore, the conceptual model of Van Zyl and Mathur-Helm (2007) reveals the contextual magnitude of entrepreneurial leadership, market orientation (MO) and relationship marketing orientation (RO) subsystems as contributors to SME performance. The Van Zyl and Mathur-Helm (2007) model illustrates how entrepreneurial leadership in combination with MO and RO as strategic orientation subsystems, individually and collectively influence SME performance. This study furthermore argues that entrepreneurial type, entrepreneurial decision-making style and cognitive model decision context variables are subsystems of the entrepreneur or owner-manager.

Conti (2006: 304) expressed the relationships between various business system constituents diagrammatically. The entrepreneurial subsystems would be part of the “individual” systems within the enterprise system according to the Conti (2006) model. Figure 2.6 illustrates the relative positions of the enterprise-, transactional- and independent system environments.

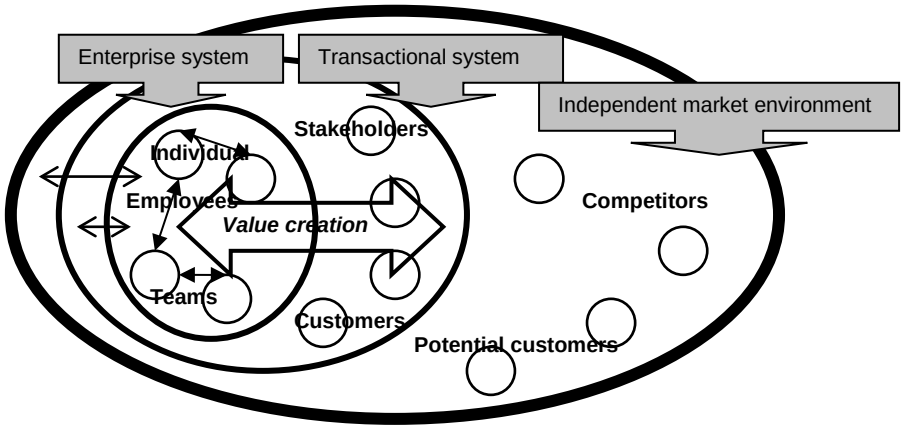


Figure 2.6: Organisational systems in their environments

Source: Adapted from Conti, 2006: 304.

According to Figure 2.6, the enterprise system consists of individuals (owner-managers and employees) as well as work teams. These interact with one another, but also with customers or other stakeholders in the transactional system, which represents various enterprises, customers, suppliers and other stakeholders. Interaction between the enterprise system and the transactional system is regarded as the value creation process through which customers and stakeholders acquire benefits from their association with the business enterprise system. Competitors and other

potential customers lurk in the independent environment or the market environment. Hence, the entrepreneurial subsystems collectively or individually influence the value creation process between the respective enterprise and transactional systems. The extent or type of value creation therefore determines enterprise performance based on the principle of mutual satisfaction. What kind of values or principles would drive this inter-systems value creation process?

According to Keating, Kauffmann and Dryer (2001: 773), the following four fundamental principles are used in systems-based approaches for systemic analyses of complex issues (such as in the value creation processes within business systems):

- Systems purpose
- Self-organisation
- Complementarity
- Dynamic stability.

However, the following discussion was compiled from Mulej *et al.* (2004: 54), and deals with how the general systems principles influence system dynamics and outcomes:

- Interdependence/relations/openness/interconnectedness
- Complexity and complicatedness
- Attractors
- Emergence
- Synergy/system/synthesis
- Whole/holism/big picture
- Networking/interaction and interplay.

Interdependence/relations/openness and interconnectedness refer to the attributes that typify complex systems (in this study human and business systems are exemplified). All the constituent elements of systems do not exist alone in real life, but that these elements are interrelated in one way or another. Based on this principle, entrepreneurial type, entrepreneurial decision styles, entrepreneurial cognitive model (decision context), MO and RO are all contributory systems to enterprise performance, and should therefore be related, interconnected and interdependent within the context of the complex entrepreneur (owner-manager) system. The nature and the extent of this "relatedness" between these identified subsystems were explored for the purpose of this study.

Complexity should be seen as a characteristic of reality which is a result of the relations or interdependencies of the constituent parts of systems. *Complicatedness* is the opposite and refers to those characteristics of the constituent parts of systems as unrelated or unique stand-alone attributes. Therefore, according to the complexity principle, entrepreneurial type, entrepreneurial

decision styles, entrepreneurial cognitive model (decision context), MO and RO should firstly be considered in terms of their individual relations amongst themselves (within entrepreneurial/owner-manager context), and secondly in terms of the collective influence exerted on enterprise performance.

Attractors refer to the relations of constituent parts and its impact on systems and *emergence* to the resulting process when these parts interact. Hence, attractors lead to the emergence of undiscovered system characteristics. Emergence can only occur when the principles of relatedness, interdependency, complexity and attractors apply, and not when constituent parts of systems are assessed in isolation of one another.

The expressions, *synergy/system/synthesis*, contain what is referred to as “the dual reality of sets”: the set of parts and the set of relations. The latter is the result of the emergence of new attributes from the principles of *interdependencies, attractions, relations, and influence* of the constituent parts. It therefore follows that the constituent parts of entrepreneurial type, entrepreneurial decision styles, entrepreneurial cognitive model (decision context), and MO, RO and enterprise performance interact to contribute towards the emergence of unique enterprise system characteristics. This would however depend on the existence of the principles of *relatedness, interdependency, complexity and attractors* within and between these concepts.

The principles *whole, big picture* and *holism* reflect the central notions of systems thinking. The isomorphism, overspecialisation and narrow specialisation concepts are not valued or appreciated from a *whole, big picture* and *holism* perspective, but the inter-disciplinary cooperation and inter-functional cooperation concepts are expressions that define the *whole, big picture* and *holism* systems principles. The concepts unilateralism, one-sidedness, biased-ness and tunnel-vision are not associated with the principles of *networking, interaction* and *interplay* with specific reference to human cognition, decision making and action.

Hence, the identified differences between the Kirznerian and Schumpeterian entrepreneurial types suggest that there could likewise be differences between their decision-making styles which in turn would influence the choice of a specific (or combination of) strategic orientation(s). Therefore, from a systems perspective, the interaction between a specific entrepreneurial type, decision-making profile and strategic choice, individually and collectively, influence enterprise performance in a unique way. The expression of enterprise performance is moreover a function of the interplay between the entrepreneur and the environments within which the entrepreneur functions.

2.8.1. Typical role and functions of the small tourism accommodation entrepreneur

According to Hamm (2014), the typical role/function of an accommodation enterprise owner-manager is to firstly ensure that the facilities comply with acceptable quality standards through

registration with the authorities and/or associations for regulatory compliance and quality control purposes. Secondly, it is essential to ensure that a continuous flow of guests or customers make use of the facilities. The key activity, however, is to provide high quality services and products to ensure customer satisfaction. It therefore implies that the physical infrastructure needs to be maintained and managed. It furthermore suggests that the internal environment (the business) needs to be synchronised with the needs of customers from the external environment (market). The entrepreneur needs to be continuously informed about the changing needs of customers. Environmental scanning or environmental alertness are therefore key attributes of the performing accommodation owner-manager. The ability to interact or communicate with employees and guests is also an important requirement.

Henning (2004: 168) added to this argument by highlighting health, hygiene and safety of the accommodation environment. Crime is a reality in the South African environment and should be proactively managed.

The operational and strategic decision-making requirements of an accommodation enterprise additionally require the owner-manager to be a competent strategist in order to contribute towards enterprise performance.

The next section presents the *a priori* model which illustrates the relationships between entrepreneurial type, decision-making profile, decision context, strategic orientations, enterprise performance and control variables.

2.9. A PRIORI MODEL

An *a priori* model is a conceptual model representing the theoretically identified concepts and their hypothesised interrelationships with one another. The *a priori* model for this study therefore illustrates the following relationships between:

- the entrepreneur types and decision-making styles;
- the entrepreneur types and strategic orientations;
- the entrepreneur types and small tourism enterprise performance;
- the decision-making styles and strategic orientations;
- the decision-making styles and small tourism enterprise performance;
- the strategic orientations and small tourism enterprise performance;
- demographic characteristics and entrepreneur types, decision styles, strategic orientations, and small tourism enterprise performance; and

- decision context variables and entrepreneur types, decision styles, strategic orientations and small tourism enterprise performance.

Kirznerian entrepreneur type (KET) and Schumpeterian entrepreneur type (SET), cognitive decision style (CDS) and emotive decision style (EDS) as well as market strategic orientation (MSO) and relationship strategic orientation (RSO) were conceptualised to be antecedents to small tourism enterprise performance (STEP). These constructs were theorised to be collaborative determinants of STEP. It was also conceptualised that KET, SET, CDS, EDS, MSO and RSO would be inter-related based on the facts that these constructs were all theoretically linked to the human factor (entrepreneur).

Entrepreneurs as decision makers were also conceptualised to apply individually developed decision frameworks upon which decisions are made. Six decision context variables were therefore theoretically related to the different entrepreneur types, decision styles and strategic orientations of small tourism entrepreneurs.

Demographic factors were conceptualised to distinguish between entrepreneur types, decision styles, and strategic orientations with their resulting differentiating influences on small tourism enterprise performance. Demographic variables were additionally conceptualised to moderate decision context prioritisation.

See Figure 4.11 for an illustration of the *a priori* conceptualisations.

2.10. CONCLUSION

This chapter presented and discussed the theoretical concepts of entrepreneurial type, cognitive/emotive decision styles, decision context variables, strategic orientations, demographic control variables and small tourism enterprise performance. The hypothesised relationships between these concepts and variables were theoretically defined and evaluated within the systems context.

The next chapter presents the research methodology that was employed to empirically define the nature and the extent of the identified relationships between the concepts contained within the *a priori* model.

CHAPTER 3
RESEARCH METHODOLOGY

3.1. INTRODUCTION

The previous chapter presented and discussed the theoretical concepts of entrepreneur type, cognitive/emotive decision styles, decision context variables, strategic orientations, demographic control variables and small tourism enterprise performance with specific reference to the systems context within which the identified concepts interrelate. The chapter presented an *a priori* model that illustrated the theoretically identified concepts and their hypothesised interrelationships with one another.

The main objective of this study was to empirically determine the interrelationships between entrepreneur type, decision-making style, strategic orientation, decision context priorities and small tourism enterprise performance. For this study the emphasis was on the quantitative methodology.

This study applied a positivist quantitative methodology as the dominant methodology. The quantitative methodologies were utilised to determine the nature and the extent of the interrelationships between the previously identified concepts. A survey instrument, presented in the next section, was developed based on relevant theories and the hypothesised relationships between some concepts as illustrated by the *a priori* model discussion in Chapter 2.

3.2. THE QUANTITATIVE APPROACH

The frameworks that are addressed in research should cover the conceptual framework, the theoretical framework, the methodological framework and the analytical framework (Quinlan, 2011: 382). The conceptual and theoretical frameworks of this study were presented in Chapters 1 and 2 respectively. The analytical framework is presented in the next chapter.

Quantitative research is based on the positivist research paradigm where deductive logic is applied to test theories in order to seek consensus (Cooper & Schindler, 2014: 147; Zikmund, Babin, Carr & Griffin, 2013: 135). Deductive reasoning is where inferences are made based on the outcome(s) when a known general principle or theory is applied in a pragmatic way (Mayfield, 2007: 349).

Zikmund *et al.* (2013: 59) and Bryman *et al.* (2014: 32) recommended that the stages that need to be followed in the quantitative research process are as follows:

- Formulate the research objectives,
- Plan the research design,
- Plan the sample,

- Collect the data,
- Analyse the data, and
- Formulate the conclusions and write the research report.

3.2.1. Formulation of objectives

The first stage in this suggested research process is to formulate the research objectives based on the research problem as presented in Chapter 1. The main *research objectives* for this study are summarised as follows:

- Explore the demographic profiles and decision context priorities of South African small enterprise accommodation entrepreneurs.
- Develop a reliable and valid measurement instrument in order to explore the inter-relationships between entrepreneur types, decision styles, strategic orientations and small tourism enterprise performance.
- Empirically model the relationships between entrepreneur types, entrepreneur decision styles, strategic orientations, decision context variables and demographic variables as determinants of small tourism enterprise performances within the South African small tourism enterprise context.

3.2.2. Research framework

The *research framework* for this study provided the infrastructure and the research procedures that were deemed necessary to answer the formulated research questions and to achieve the research objectives. This study applied a cross-sectional research design where data was collected for the quantitative phase by means of an electronic survey method.

The development of the conceptual model has been described in Chapter 2 where the main concepts that were addressed by this study have been presented. The *a priori* model that illustrates the interrelationships between the identified constructs and variables (Figure 4.11) summarises the conceptual design of this study. A measurement instrument was therefore required to measure each of the defined concepts or variables for the quantitative phase.

3.2.3. Questionnaire development

A survey instrument is developed based on known principles or theories (Giesen, Meertens, Vis-Visschers & Beukenhorst, 2012). Hence, inferences that are grounded in the analytical outcomes of an operationalised survey instrument are therefore applying deductive logic. This study therefore formulated questions (items) based on facts and theories in order to assess entrepreneur responses from enterprises to the questions. Some questions from questionnaires that had been

used by previous studies were adapted for inclusion into the measurement instrument for this study. The responses to the administration of the survey instrument of this study were analysed statistically and inferences were made by applying deductive logic.

A survey instrument is designed to collect information for analytical purposes. Since there are a variety of different types of data and depending on the research design, a survey instrument could be designed to measure various data types. The amount of information or the characteristics of the information that needs to be collected could be categorised into four different scales of measurement, namely nominal, ordinal, interval and ratio scales (Lombard, Van der Merwe, Kele & Mouton, 2011: 20; Wegner, 2007: 18). It is necessary to distinguish between the different data types in order to understand the relevance of each and especially how these different data types could be measured and analysed.

3.2.4. Data types

Numerical data is categorical, but the categories within the data are of equal importance and therefore no ranking of the data is possible (Lombard *et al.,* 2011: 20; Wegner, 2007: 20). Examples of numerical data utilised by this study are gender, home language, geographical location or motivation to be in business.

Ordinal data is also categorical, but there is an implied ranking between the categories (Wegner, 2007: 20). Examples of ordinal data used by this study are the highest level of an owner-manager's qualification, entrepreneurial decision preferences, owner-manager and venture age and work experience, that is however, if different categories are involved in the latter two examples. Therefore, the owner-manager and venture age as well as work experience could also be numerical (ratio) data if the exact age or experience in days/weeks/months/years was provided.

Table 3.1: Distinguishing between data types

Qualitative (categorical) data		**Quantitative (numerical) data**	
Mutually exclusive classes, no order	Mutually exclusive, ordered classes	Numerical values, no true zero	Numerical values, true zero
Nominal	Ordinal	Interval	Ratio

Source: Adapted from Maree and Pietersen, 2014: 149.

Interval data is numerical and similar to ordinal data can be divided into categories and can also be ranked, but the main difference between ordinal and interval data is expressed in the existence of a measured distance between any two values (Lombard *et al.,* 2011: 21). According to Wegner (2007: 22), semantic differential rating scales and Likert rating scales are examples of interval data measurement scales. This study employed Likert rating scales to measure selected parts of

entrepreneurial characterisation and decision-making styles. More details about the Likert scale are provided in Subsection 3.2.6 below.

Ratio-scaled data possesses arithmetic properties such as order and distance with an absolute origin of zero (Wegner, 2007: 22). Examples of ratio-scaled data utilised by this study are age, number of employees and years of experience as demographic variables.

Different data types could be obtained from various sources. The following section presents an overview of different data sources and their relevance to this study.

3.2.5. Data sources

The primary data for this study was obtained by an electronic survey from the owner-managers or entrepreneurs as respondents who are associated with South African small and micro tourism enterprises as the main decision makers. The data collection was obtained from South African small and micro tourism entrepreneurs in the accommodation industry. The analytical purpose for this data collection process was quantitative in nature.

3.2.6. Pilot testing

Both the pilot testing and the revision of the originally formulated questionnaire items were done by a panel of experts consisting of ten small tourism enterprise experts who were involved by this study to evaluate the formulated theory-based items used in the questionnaire for clarity and relevance according to the procedures described in Fisher *et al.* (2014: 485). The group of ten experts consisted of five academics with qualifications and experience in the entrepreneurship domain as well as five small tourism enterprise owner-managers. Each of the experts was asked to indicate by means of a Likert scale how relevant and accurate each of the formulated questions described the different concepts under study. The accepted questions were eventually included in the questionnaire that was used in the survey. The definitions of the respective concepts guided this process of testing and revision of questionnaire items. Table 3.2 illustrates the 5-point Likert scale options that were used in the item selection process for content validity.

Table 3.2: 5-point Likert scale options for selecting relevant items

This item contributes validly towards the description of the defined concept.				
1.Strongly disagree	2.Slightly disagree	3.Uncertain	4.Slightly agree	5.Strongly agree

Source: Adapted from Holt, 2014: 4.

Depending on the concept, the 10 to 15 highest scored items were retained for inclusion in the final measurement instrument. The scores or content validity ratios were calculated by summarising the number of “5s” (strongly agree), “4s” (slightly agree), etcetera, for each item as indicated by each

of the ten experts (Holt, 2014: 13). Therefore, content validity for the measurement instrument employed by this study was achieved by ensuring that all the selected items adequately covered the identified concepts under study. The finally retained items that describe the respective concepts are listed in Appendix A. The items were formulated by the researcher based on theory and findings in the literature that has been covered by the literature review in Chapter 2. Some items were adapted from other measurement instruments which were employed by previous studies in respective domains. The descriptions of the respective concepts applied by this study, with specific reference to the selection process and the sources of questionnaire items, are summarised as follows:

- *Kirznerian entrepreneur*: Alertness to the recognition of existing opportunities for economic exploitation is primarily based on the entrepreneur's (market) knowledge (Marcotte, 2014: 45; Siegel & Renko, 2012: 801). [Ten formulated and finally edited items were eventually included in the measurement instrument to assess this category]
- *Schumpeterian entrepreneur*: New opportunities are shaped or developed based on the entrepreneur's preferred creative and innovative expressions (Marcotte, 2014: 46; Renko, Schrader & Simon, 2012: 1234; Siegel & Renko, 2012: 802). [Ten formulated and finally edited items were eventually included in the measurement instrument to assess this category]
- *Cognitive decision making*: The entrepreneur's focused thinking and information processing capabilities enable creativity, market awareness, attention to context and awareness of multiple perspectives (Gordon & Schaller, 2014: 19). [Ten formulated and finally edited items were eventually included in the measurement instrument to assess this category]
- *Emotive decision making*: Entrepreneurs who experience positive emotions handle risk better which results in enhanced enterprise performance (Brundin & Gustafsson, 2013: 582; Lerner *et al.,* 2015: 33.1). [Fifteen formulated and finally edited items were eventually included in the measurement instrument to assess this category]
- *Decision context*: The entrepreneur's mental model or decision-making frame of reference (decision preferences) determines the type of decision that is taken and subsequently also the decision consequences (Shepherd *et al.,* 2015: 14). [Six formulated and finally edited items were eventually included in the measurement instrument to assess this category]
- *Market orientation*: An orientation towards effective and systematic customer and competitor intelligence generation and distribution processes (Zahra & Hasan, 2012: 497). [Twelve items were finally included in the measurement instrument to assess this category]

- *Relationships orientation*: An orientation towards sustainable cooperative relationship development and engagement through high-value relational exchanges (Alrubaiee & Al-Nazer, 2010: 156). [Ten formulated and finally edited items were eventually included in the measurement instrument to assess this category]
- *Small and micro tourism enterprise performance*: Aspects that reliably and consistently contribute individually and collectively towards small and micro tourism enterprise growth or sustainability (Van Zyl & Mathur-Helm, 2008a: 203). [Eight formulated and finally edited items were eventually included in the measurement instrument to assess this category]

Table 3.3 lists the number of items for each of the variables that were included in the measurement instrument for this study as well as the sources from which the items were obtained or formulated, or alternatively from where the justification to include the items originate. Table 3.3 lists the variables and items that were retained based on the pilot study.

Table 3.3: Number of items per variable in the measurement instrument and sources

Variable	Number of items	Sources
Demographic characteristics		
Age of the venture	1	Wood (2002)
Age of the owner-manager	1	Oshagbemi (2004)
Experience in the tourism industry	1	Wood (2002)
Number of employees	1	Audretsch (2012)
Highest educational qualification of the owner-manager	3	Morrison & O'Mahony (2003)
Gender	1	Oshagbemi & Gill (2003)
Language	4	Robie *et al.*(2001)
Motivation to be in the tourism business	3	Wood (2002)
Location of the enterprise	9	Morrison (2006)
Decision context		
Quality	1	Mendes & Lourenco (2014)
Profit maximisation	1	Simpson *et al. (*2012)
Impact on the natural environment	1	Svensson & Wagner (2015)
Ethical conduct	1	Nejati & Amram (2013)
Speed of response (time)	1	Yilmaz & Bititci (2006)
Customer satisfaction	1	Biden & Demoutin (2007)
Entrepreneur types		
Kirznerian entrepreneur type (KET)	10	Andersson (2011) Bryant (2007) Carsrud & Brännback (2007) Craig & Johnson (2006) Hang *et al.* (2013)

Variable	Number of items	Sources
		Marcotte (2014) Resnick (2012) Siegel & Renko (2012) Sundqvist *et al*. (2012)
Schumpeterian entrepreneur type (SET)	10	Agarwal *et al.* (2003) Alvarez & Barney (2007) Awwad & Ali (2012) Carsrud & Brànnback (2007) Chiles *et al*. (2013) Craig & Johnson (2006) Dane & Pratt (2007) Hieronymi (2013) Marcotte (2014) Sundqvist *et al*. (2012)
Decision-making styles		
Cognitive decision style (CDS)	10	Andersson's (2011) Audretsch (2012) Brundin & Gustafsson (2013) Campbell (2007) Faiez & Younes (2012) McCarthy (2003) Neck & Houghton (2006) Lee & Jones (2015) Lindblom *et al.* (2008) Sarasvathy *et al.* (2003) Shepherd *et al. (*2015) Wenhong & Liuying (2010)
Emotive decision style (EDS)	15	Awwad & Ali (2012) Brundin & Gustafsson (2013) Bryant (2007) Kim *et al.* (2006) Lakomski & Evers (2010) Lerner *et al.* (2015) Shepherd *et al.* (2015)
Strategic orientations		
Market strategic orientation (MSO)	12	Akbari & Safarnia (2012) Bozic & Ozretic-Dosen (2015) Narver & Slater (1990) Osuagwu (2006) Tse *et al.* (2004) Van Zyl & Mathur-Helm

Variable	Number of items	Sources
		(2007) Van Zyl & Mathur-Helm (2008a)
Relationships strategic orientation (RSO)	10	Iglesias *et al.* (2011) Sin *et al*. (2002) Sin *et al*. (2006) Tse *et al*. (2004) Van Zyl & Mathur-Helm (2007) Van Zyl & Mathur-Helm (2008a)
Small tourism enterprise performance (STEP)	8	Van Zyl & Mathur-Helm (2007) Van Zyl & Mathur-Helm (2008a) Van Zyl & Mathur-Helm (2008b) Wood (2002)
TOTAL	105	

3.2.7. Validity and reliability

An ideal or good measurement instrument (questionnaire or survey instrument) is evaluated against three major criteria, namely validity, reliability and practicality (Cooper & Schindler, 2014: 257). The three most important forms of validity cover the content, criterion-related aspects and the construct. Table 3.4 distinguishes between these mentioned validity types in terms of “what is measured” as well as the applicable methods associated with each type.

Content validity refers to how relevant and fittingly all the formulated variables or items (questions or statements) of the measurement instrument represent the concept(s) under investigation. In other words, the content validity process has to ascertain that the measurement instrument validly measures what it intends to measure (Dzansi & Pretorius, 2009: 457). The group of ten experts therefore contributed towards the process of determining the content validity of the questionnaire items in this study by means of consensus that the instrument would measure what it intends to measure. Evidence of the existence of relationships between the constructs in the hypothesised model would indicate content and criterion validity (Pentz, 2011: 163).

Construct validity is assessed by the degree to which the measurement instrument accounts for the variation in the results (Yong & Pearce, 2013: 83). In order to assess the construct validity of a measurement instrument, convergent and discriminant validity is determined (Williams, Brown & Onsman, 2010: 2). Convergent validity measures the extent to which the items defining a construct positively correlate with one another whilst discriminant validity refers to the fact that the items that

define a construct do not correlate meaningfully with other constructs in the same measurement instrument (Pentz, 2011: 163).

Table 3.4: Distinction between validity types

Type	What is measured?	Methods
Content	Degree to which the content of the items adequately represents the universe of all the relevant items under study.	• Judgemental • Panel evaluation with content validity ratio
Criterion-related	Degree to which the predictor is adequate in capturing the relevant aspects of the criterion.	• Correlation
Concurrent	Description of the present; criterion data are available at the same time as the predictor scores.	• Correlation
Predictive	Prediction of the future; criterion data are measured after the passage of time.	• Correlation • Regression
Construct	This answers the question, "What accounts for the variance in the measure?"; attempts to identify the underlying construct(s) that are being measured and to determine how well the test represents it.	• Judgemental • Correlation • Convergent & discriminant tests • Factor analysis • Multitrait-multimethod analysis

Source: Adapted from Cooper and Schindler, 2014: 257.

Reliability in this study was assessed by calculating the Cronbach alpha in a factor analysis where a value higher than .70 indicates a good internal consistency, although values above .60 would also be acceptable in exploratory research (Dzansi & Pretorius, 2009: 457). Dzansi and Pretorius (2009: 457) furthermore suggested that items (or questions) with negative item to total correlation values or where the values are lower than .40 should be eliminated in order to improve the reliability of the measurement instrument. Kidd (2015) however advised that all items should be retained in a study with a small response rate in order to assess the complete data set by considering the responses to all the questionnaire items. This study applied the procedure as suggested by Kidd (2015).

3.2.8. Addressing bias

In order to eliminate response bias, some of the Likert scale items in this study were formulated negatively and some were formulated positively to create more balance (Bolton & Lane, 2012: 226; Johns, 2010: 10). The negatively formulated items therefore had to be reverse-scored when the data analysis was performed, since Likert scales are summated scales (Johns, 2010: 8). Furthermore, leading questions were identified and reformulated in order to prevent acquiescence bias. Acquiescence bias is where respondents agree with most of the statements irrespective of

what the contents are (Johns, 2010: 5). In order to control for order bias in this study the items in the questionnaire were scrambled. Order bias is where respondents are influenced by the sequence or specific order of questions in the questionnaire (Zikmund *et al.* 2013: 347).

Clottey and Grawe (2014: 413) investigated the different options that are applied by researchers to address non-response bias and found that there are four commonly used methods to assess it:

- Comparing responses from early versus late responders;
- Comparing responses from respondents versus responses from a random sample of non-respondents which were obtained after the deadline had expired;
- Comparing respondents versus non-respondents on multiple demographic characteristics; and
- Comparing the demographic characteristics of the respondents to those of the population.

This study applied the first option as described above to assess non-response bias, namely to compare the responses from the first 25% of respondents with the responses from the last 25% of respondents by means of ANOVA, as suggested by Clottey and Grawe (2014: 413). It was furthermore assumed that the responses from the last respondents would be similar to those of non-respondents (Pentz, 2011: 160). The responses of this study were therefore sorted in quartiles with the responses to the first and the last quartiles to be assessed by Least Square Means (LS Means) ANOVA. LS Means was applied to test the assumption of equal means between the first 25% of respondents with the responses from the last 25% of respondents. Responses to questionnaire items for small tourism enterprise performance, cognitive decision making, emotive decision making, opportunity alert entrepreneur type, creative/innovative entrepreneur type, market strategic orientation and relationships strategic orientation were compared for equal means. The null hypothesis to be tested in each of these mentioned cases was as follows:

H_0: There is no significant difference between the means of the responses of the first 25% respondents and the responses of the last 25% of respondents.

A *p*-value more than .05 would indicate that the null hypothesis would be accepted which would mean that the means of the two groups were equal. In the latter case therefore, based on the assumption that the responses of the last 25% of respondents were similar to responses from non-respondents, non-response bias was acceptably controlled for this study.

3.2.9. Scale descriptors

This study employed a 7-point Likert scale to assess the interval type data of the concepts “Cognitive decision making”, “Emotive decision making”, “Kirznerian entrepreneur type”,

"Schumpeterian entrepreneur type", "Market orientation" and "Relationships orientation" respectively. See Table 3.5 for the 7-point Likert scale options in this regard.

Table 3.5: 7-point Likert scale descriptors as applied by this study

1.Completely disagree	2.Mostly disagree	3.Slightly disagree	4.Undecided	5.Slightly agree	6.Mostly agree	7.Completely agree

Source: Adapted from Holt, 2014: 4.

The "Decision context" feedback requires respondents to rank the available six options in order of importance when making business decisions. The six options are product or service quality, response time, ethical orientation, profit maximisation, customer satisfaction, and impact on the natural environment. Ranked data is regarded as ordinal data (Wegner, 2007: 20). See Table 3.6 for an indication of how the "Decision context" question was presented in the questionnaire.

Table 3.6: Decision context options

If you make business decisions, which of the following aspects do you consider most important and which are the least important? Please rank the items in order of importance in the blocks provided next to the options. Each of the alternatives should be allocated a unique ranking. Therefore, only one option should be allocated with a "1" as most important, one "2" as second best, etcetera…			
Quality of products/service		Profit maximisation	
Response time		Customer satisfaction	
Ethical conduct		Impact on the natural environment	

The eight finally retained small and micro tourism enterprise performance variables are as follows:

- The number of customers,
- The amount of customer spending,
- The profit margin,
- The number of employees,
- The number of repeat or loyal customers,
- The sales revenue,
- The total costs, and
- The employee costs.

Since owner-managers of small enterprises are reluctant to provide objective and reliable information on the financial or related types of enterprise performance criteria (Simpson *et al*., 2012: 276), this study adopted an alternative approach (Wijewardena *et al.,* 2008: 155) where respondents were requested to select one of five given situations that describe some recent

changes that the business had experienced. Respondents were requested to indicate how some changes had been experienced with specific reference to the finally selected eight small and micro tourism enterprise performance variables as listed above. The level descriptors for each of the five different situations are as follows (Wijewardena *et al.,* 2008: 155):

- Substantial decrease,
- Slight decrease,
- No significant change,
- Slight increase, and
- Substantial increase.

Respondents were therefore required to indicate by means of these level descriptors how their enterprises performed relative to each of the eight performance variables. If a respondent, for instance, selected “substantial increase” as an option to describe a specific performance variable, a relative value of five (5) would be allocated since there are only five different level descriptors. Likewise, the option “slight increase” would be allocated a value of four (4), “no significant change” would be allocated a value of three (3), “slight decrease” would be allocated a value of two (2), and “substantial decrease” would be allocated a value of one (1). In order to calculate the performance level of an enterprise, the level descriptors allocated by the respondents to the performance variables “total costs” and “employee costs” had to be deducted from the summated scores of the other six performance variables.

Therefore, if a respondent indicated that the enterprise had performed with “substantial increase” respectively to “number of customers”, “customer spending”, “profit margin”, “number of employees”, “number of loyal customers”, and “sales revenue”, and performed with “substantial decrease” on “employee costs” and “total costs”, it implies the best possible performance of the enterprise.

The significance of being able to calculate a numerical value as a performance index is that it could be used to perform correlation and regression analyses.

3.2.10. Demographic variables

The last section of the questionnaire contained control variables or demographic variables to firstly characterise the respondents and secondly to be able to determine whether there were similarities or significant differences between respondent perspectives with regards to the concepts being investigated by this study (Carsrud & Brännback, 2014: 137). According to Wegner (2007: 31), the inclusion of demographic variables in a survey enables the statistical classification and interpretation of the research data. The demographic variables that were included by this study are therefore as follows:

- Age of the venture,
- Age of the owner-manager (entrepreneur),
- Years of experience in the tourism industry,
- Number of employees,
- Highest educational qualification,
- Gender,
- Home language,
- Motivation to be in the business, and
- Geographical location of the enterprise.

The type of data that was collected for “age of the venture”, “age of the owner-manager”, “years of experience in the business” and “number of employees”, is ratio and could therefore be applied in parametric data analyses techniques. The “highest educational qualification” variable is ordinal data type and the remaining categories are nominal in nature.

The questionnaire was administered to small and micro tourism enterprises in South Africa. It is therefore firstly important to define what is regarded as a South African small and micro enterprise before specifying the population and the sample frame for this study.

3.2.11. South African definition of SMEs

The South African Small Business Amendment Act of 2003 distinguishes between micro, very small, small and medium enterprises in 11 sectors of the economy by annual turnover. However, the size of a business in South Africa is mainly defined by the number of its employees. According to this definition, micro businesses have between zero and four employees; very small businesses have between five and nine employees; small business have between ten and 49 employees; and medium businesses have between 50 and 200 employees (TIPS, 2011: 97). This research study focused on small and micro tourism enterprises in South Africa with between zero and 49 employees.

3.2.12. The population

Nyazema (2013: 77) quoted the Tourism Grading Council of South Africa (TGCSA) and reported that there were 6 663 graded accommodation establishments in South Africa during 2011. Ten percent of these accommodation establishments were however graded hotels where the number of employees most probably exceed the number of employees as defined by the South African Small Business Amendment Act of 2003. Therefore, according to these figures it is assumed that approximately 6 000 accommodation enterprises were graded as small and micro tourism enterprises in 2011. It was furthermore reported that a total number of 4 845 non-hotel accommodation enterprises were graded in South Africa in March 2014 (TGCSA, 2014). This

indicates a decline in graded small and micro accommodation enterprises in South Africa from 2011 to 2014. According to the Bed and Breakfast Association of South Africa (BABASA), there are approximately 20 000 small accommodation enterprises in South Africa (Hamm, 2014). Hamm (2014) reported that the majority of small and micro accommodation enterprises in South Africa employ between three and nine employees. Less than half of these enterprises are formally registered and pay tax (Stats SA, 2013).

There is however no complete database of small tourism enterprises that distinguishes between formal and informal enterprises in this industry. Since there is no database of ungraded accommodation enterprises in South Africa, the population for this study comprised the estimated 6 000 graded (therefore also formally registered with their respective municipalities) small and micro accommodation enterprises in South Africa. The exact demographic characteristics of this population of small and micro accommodation enterprises in South Africa are unknown.

The Bureau for Economic Research (BER, 2016) published a report on the small, medium and micro enterprise sector of South Africa. In this report the percentage of formal sector owners in the trade and accommodation sector who have completed secondary education was given as 33.22%. Owners with tertiary education in the same formal sector were given as 44.92%. 53% of owners in this sector were in the 45–64 age categories with the number of males outnumbering females in the industry.

In a previous study, Tassiopoulos (2010: 281) who investigated the co-producers of preferred strategic behaviour in small, micro and medium tourism enterprises in South African across the tourism value chain, commented as follows with reference to the demographic profile findings of his study:

> "…the majority of respondents can be demographically characterised as originating from the Western Cape and Gauteng; are most likely urban/metropolitan area based; and are largely family-owned SMMTEs. The owners are most likely 45 to 54 years of age; most likely of the male gender; the highest numbers have attained a Grade12 school leaving qualification; and the majority could be classified as being from European descent..." and,
>
> "…results appear to suggest that the respondents are mostly middle-aged business people with predominantly lifestyle and family motives". ..."The predominance … of middle aged couples in the tourism industry may reflect a trend towards semi-retirement and subsequent self-employment".

The Tassiopoulos (2010) study estimated the geographic distribution of all tourism entrepreneurs in South Africa as follows: Eastern Cape 16.8%; Free State 2.4%; Gauteng 26.3%; Kwazulu-Natal 15.6%; Limpopo 1.2%; Mpumalanga 4.8%; North West 0.6%; Northern Cape 3.6% and the

Western Cape 28.7%. This distribution estimate included tourism entrepreneurs across the value chain and not only from the accommodation sector.

This study argues that the available information from Hamm (2014), Tassiopoulos (2010) and BER (2016) could reliably be applied as proxies or estimations for the determination of the population parameters in this study.

3.2.13. The sample

Since there is no single database containing all the formally registered small accommodation enterprises within South Africa, this study made use of information that was retrieved from the 278 local municipalities in South Africa. Each of the mentioned municipalities records the details of formally registered accommodation enterprises within their respective jurisdictions. These small accommodation enterprises of the 278 municipalities formed the *sampling frame* for this study. This study however acknowledges that there could be a sampling frame error, because there is a probability that not all the formally registered accommodation enterprises in South Africa are included in the sampling frame. The findings of this study are therefore limited to the data set that was analysed by this study (Zikmund *et al.* 2013: 393). The results of the study could be used to estimate the population parameters in this regard (Bryman *et al.* 2014: 178). The contact details of 4 715 small accommodation enterprises were obtained from the mentioned municipalities and this formed *the sample* for this study. The 4 715 accommodation enterprises were all approached by means of an email survey.

3.2.14. Data collection

There are different options available when a researcher considers collecting data for quantitative analytical purposes (Wegner, 2007: 27). Data collection could be attained through direct or indirect observation, surveys or through experimental processes. An advantage of observation as a strategy for data collection is that the research subject could be unaware of the observation process which deems the process more objective. However, observation is a passive process and it could additionally be time consuming and costly.

Surveys could alternatively be launched through personal interviews, the postal system, telephonic interviews or electronic surveys. Electronic or email-based surveys are convenient, because it is an automated process of data collection, it is fast and relatively cheap, it can reach beyond national borders and the data obtained is current and accurate (Wegner, 2007: 30). Some of the disadvantages reported for e-surveys include the lack of comprehensive sample frames and the lack of email access for some target populations (Wegner, 2007: 30).

In order to capitalise on the above-mentioned advantages of electronic surveys, this study employed an e-survey format for the quantitative phase of the research. A web-based survey instrument was developed to enable potential respondents as identified by the sample frame mentioned above to complete the questionnaire via internet access. In the accommodation sector of the tourism industry most role-players have internet access from an essential competitive requirement point of view (Greenwood, 2012).

A letter of approach was emailed to the entire sample. The letter provided an overview of the study objectives and stated that anonymity was guaranteed to all participants. Mention was made of the ethical clearance of the research and its approval number was additionally provided in the letter. The approach letter continued to request the respondent to participate in the survey. The respondent was however provided with an option to decline participation in the survey. A copy of the letter of approach is available in Appendix D. Once the respondent had indicated that they were willing to participate in the survey, a hyperlink opened the “Completing the questionnaire” instructions.

A copy of the instructions of how to complete the questionnaire is available in Appendix E. During a pre-test the questionnaire was found to take between 15 to 20 minutes to complete. Once a respondent had completed the questionnaire, the survey system would prevent the same respondent from completing the questionnaire again from the same email address.

The web-based survey instrument consisted of three sections, namely A, B and C. Section A collected the demographic information that is mentioned above. Section B was set up to record the ranking of the “Decision context” variables as well as the responses to the eight enterprise performance variables. Section C contained the 7-point Likert scale response options to the “Decision style”, “Entrepreneur type” and the “Strategic orientation” concepts. The instrument was set up to allow the respondent to click on button-type selection options, but in such a way that all the questions in each consecutive section, starting at Section A through to Section C, needed to be answered in order to allow access to the next section. If there was any missing information, the survey instrument would not allow the respondent to proceed to a next section or alternatively terminate further participation in the survey.

3.2.15. Data analyses

Once the data collection process had been finalised, the data was retrieved and captured in a Microsoft (MS) Excel file. Column headings were checked and adjusted to reflect the correct codes. The e-survey instrument was programmed to avoid missing data, and therefore this aspect did not require further control. The outlier values were retained for the exploratory analyses

processes, but were replaced by average values for the inferential statistical analyses (Wegner, 2007: 33-34).

The data was organised and summarised in order to display some underlying patterns. The categorical data (gender home language, geographical location higher educational qualifications, and motivation to be in business) was summarised into pivot tables. The numeric data (age of the venture age and of the owner-manager, years of experience in the tourism industry, and number of employees) was summarised into frequency and cumulative frequency tables. The latter categorical and numeric data was furthermore summarised into pivot tables and frequency tables with decision context, small and micro tourism accommodation enterprise performance, decision style, entrepreneur type, and strategic orientation concepts respectively. This dissertation provides graphical displays of all these tables; and the aforementioned relationships are additionally provided in line graph, bar chart or pie chart formats.

Table 3.7 presents an overview of the data analyses techniques as applied by this study. The detailed discussions describing each technique follow in the subsequent sections of this Chapter. The features that distinguish between the different data types were discussed in subsection 3.2.4.

Table 3.7: Summary of data analyses techniques as applied by this study

Analysis type	**Data type & Section of questionnaire**
Exploratory factor analysis (EFA)	• Questionnaire's Section C ordinal data
Mode/median/mean/frequencies	• Nominal/ordinal/interval data
Standard deviation/variance	• Ordinal/interval data
Spearman's rank-order correlation (rho) Pearson's *r*	• Ordinal data of Section A with ordinal/interval data of Section B • STEP with Section C's subsections
Chi-square (χ^2)	• Categorical data of Section A
Analysis of variance (ANOVA)	• Section A categorical data with Section B, C
Multiple regression	• STEP variables as dependent variables with Section C's subsections as independent variables • STEP variables as dependent variables with the numerical variables of Section A as independent variables
Partial Least Squares Structural Equation Modelling (PLS-SEM)	• *A priori* model constructs (STEP; CDS; EDS; KET; SET; MSO & RSO)

3.2.16. Descriptive statistics

Since summary tables only provide a broad overview of data, more specific descriptive statistics are additionally required to describe the measures of centrality, dispersion and skewness of a data set. The measures of centrality are the arithmetic mean, the mode and the median. The arithmetic mean is the calculated value that lies at the centre of a data set. The median is the absolute middle value of a data set and the mode is the value that occurs most frequently in a data set. The arithmetic mean and the median can only be calculated by using numeric values of a data set, whereas the mode could be determined by using numeric and categorical data (Wegner, 2007: 95-100).

Measures of dispersion describe the variation or spread of data values around the central values in a data set. The most commonly used measures of dispersion are: the range, inter-quartile range, quartile deviation, variance, co-variance, and the standard deviation (Wegner, 2007: 122). If the variance and the standard deviation have higher values, it means that the data is more widely dispersed around the mean and *vice versa.*

A measure of skewness describes how the data is dispersed around the mean. A symmetrical dispersion of data around the mean means that half of the data lies to the left and half of the data lies to the right of the mean. If more data lies to the left of the mean, the distribution is referred to as negatively skewed. When more data lies to the right of the numeric mean, it is referred to as positively skewed. A skewness value of between -0, 5 and +0, 5 reflects a marginally skewed data spread; a value between -1 and +1 reflects a moderately skewed data spread and where the value is less than -1 or more than +1 the skewness is interpreted as being excessive (Wegner, 2007: 134). Most statistical techniques are developed for normal data distributions. A normal data distribution is where the data set has a measure of skewness of zero. Data sets that exhibit skewness could however be transformed by applying logarithmic or square root treatment of the data set which makes the data more suitable for statistical analyses (Croarkin & Tobias, 2012).

This study performed measures of centrality, dispersion and skewness on all the numeric variables. Frequency distributions were determined for all categorical variables. The descriptive statistics summaries of this study are available in Appendix F.

3.2.17. Hypothesis testing

In hypothesis testing the proximity of the sample statistic relative to the hypothesised value of the population parameter is determined (Cooper & Schindler, 2014: 432; Wegner, 2007: 256). The hypothesised value of the population parameter is regarded as the calculated central location value. This means that if the sample statistic is calculated to be in close proximity to the hypothesised population parameter, the latter would most probably be true and *vice versa.*

According to Wegner (2007: 257), the process of hypothesis testing could basically be summarised as follows:

- The first step is to formulate the null and alternative hypotheses.
- Secondly, the sample test statistic needs to be calculated.
- Thirdly, a decision rule needs to be applied in order to accept or reject the null hypothesis.
- Lastly, an interpretation of the proximity of the sample statistic to the hypothesised population parameter provides evidence for a final decision and conclusion.

The calculation of the sample statistic is done by using sample data. In the case where hypothesis tests of a central location nature are applied, the single sample mean or the difference between two sample means is considered. The same applies to hypothesis tests that are based on population parameters where either a single sample proportion or the difference between two sample proportions is considered. The calculated sample statistic however needs to be standardised into what is referred to as the z standardised form and expressed as the *z*-stat (Wegner, 2007: 259; Welman, Kruger & Mitchell, 2009: 230; Zikmund *et al.,* 2013: 540). A very small *z*-stat indicates that the sample statistic lies in close proximity to the hypothesised population parameter and that the null hypothesis could be accepted or *vice versa* (Wegner, 2007: 260).

Inferential statistics is about the testing of hypotheses through the application of various statistical techniques in order to accept or reject the hypothetical claims (Wegner, 2007: 255). During hypothesis testing, sample evidence is used to test the validity of the postulated value of a population parameter (Wegner, 2007: 256). The main hypotheses for this study were formulated based on the literature review in Chapter 2 where the relationships between the concepts in this study have been described. The main null hypotheses for this study are as follows:

H_0^1: A model depicting the significant relationships between small and micro tourism accommodation enterprise performance, entrepreneur type, decision style and strategic orientation could be constructed.

There are sub-hypotheses associated with the above-mentioned null hypotheses. For each of these null hypotheses, alternative hypotheses have been formulated. Whereas each of the null hypotheses states that there is no relationship between the variables, the alternative hypothesis in each case states that there is a statistically significant relationship between the mentioned variables.

The decision rule to accept or reject the null hypothesis could be done by either applying the region of acceptance/rejection method, or alternatively the more contemporary applied *p*-value method. The region of acceptance refers to a region around the hypothesised population parameter where,

if the calculated sample statistic would fall within this region, the null hypothesis would not be rejected and *vice versa* (Wegner, 2007: 261). However, a level of significance could be applied to avoid what is referred to as Type I and Type II errors of decision making. A Type I error refers to where a wrong decision is made to reject the null hypothesis whereas it should have been accepted. A Type II error refers to a decision of accepting the null hypothesis whereas it should have been rejected (Wegner, 2007: 263).

The *p*-value refers to the probability of observing the sample statistic or an extreme value of the sample statistic if the null hypothesis is true (Wegner, 2007: 266). A very small *p*-value which approaches zero provides strong evidence to reject the null hypothesis in favour of the alternative hypothesis. Likewise, a large *p*-value would provide strong evidence to accept the null hypothesis. This study applied the rationale to reject the null hypothesis in favour of the alternative hypothesis if the *p*-value is smaller than .05 (therefore a less than 5% probability).

3.2.18. Exploratory factor analysis

Following on the overview of descriptive statistics, hypothesis testing and the summary of statistical techniques that were applied by this study, a description of the inferential statistical procedures are forthwith presented. The first analysis after the sorting and coding of the data is exploratory factor analysis (EFA). EFA is a multivariate statistical procedure that reduces the large number of variables into a smaller set of variables or factors (Williams *et al*., 2010: 2). According to Williams *et al.* (2010: 4), the following five-step protocol describes the EFA process:

- Making sure that the data is suitable for factor analysis;
- Deciding how the factors are to be extracted;
- Deciding which criteria will assist in determining the factor extraction;
- Selecting the most appropriate rotational method; and
- Interpreting and labelling the factor structure.

Several guiding rules of thumb regarding the suggested sample size for factor analysis are reported. Williams *et al*. (2010: 4) claimed that a sample size of about 50 could be acceptable where the inter-item communalities or correlation coefficients are high and exceed .80. There are however diverging views regarding acceptable sample sizes with opinions ranging from a sample size of 100 (which is regarded as acceptable, but poor) and 1000 which is regarded as an excellent sample size (Williams *et al.,* 2010: 4).

Yong and Pearce (2013: 80) claimed that there should be at least five to ten observations for each variable in the questionnaire. Suhr (2005: 1) extended this view by suggesting that the sample ratio should be between five and 20 cases per parameter estimate. Williams *et al.* (2010: 5) furthermore reported that sample ratios between 1:3 and 1:20 have been used with varying levels of success.

A correlation matrix displaying the inter-item correlations is a good indicator of the factorability of the data. Inter-item correlations exceeding .30 generally indicate the factorability of the data. Inter-item correlations that exceed .50 are furthermore regarded as significant for factorability (Williams *et al.,* 2010: 5).

Field (2012: 446) advised that if the KMO measure of sampling adequacy exceeds .50, then the sample size would be adequate for EFA. Williams *et al.* (2010: 5) confirmed this claim about the KMO measure of adequacy value, but added that a Bartlett's test of sphericity *p*-value of less than .05 would furthermore endorse the suitability of the data for factor analysis.

The second step in the EFA protocol is to decide on how the factors will be extracted. Since this study employed a combination of statistical software programmes, namely Statistical Package for Social Sciences (SPSS Statistics22) and STATISTICA™ (StatSoft Incorporated, 2009), the availability of factor extraction options offered by these statistical software programmes were considered. There are various factor extraction options to choose from, according to Williams *et al.* (2010: 6):

- Principle component analysis (PCA),
- Principle axis factoring (PAF),
- Maximum likelihood (ML),
- Unweighted least squares,
- Generalised least squares,
- Alpha factoring, and
- Image factoring.

The above listed factor extraction options are available on SPSS Statistics22 and STATISTICA™ software programmes. Williams *et al.* (2010: 6) claimed that PCA and PAF are the most commonly used factor extraction methods. Costello and Osborne (2005: 2), however, suggested that ML is preferred when the data is normally distributed, but that PAF is preferred where the data is significantly non-normally distributed. The distribution of data is therefore regarded as a guideline for selecting the optimal factor extraction method. This study applied the PCA factor extraction technique.

The third step in the EFA protocol is about selecting the criteria that determine factor extraction. The application of multiple criteria for factor extraction in studies is a contemporary requirement when scientific articles are submitted for publication purposes in some peer-reviewed journals (Williams *et al.,* 2010: 6). The rationale seems to be that since factor extraction is such a complex process, the more criteria are applied, the more credible the factor extraction process becomes. Most factor analysts therefore apply multiple factor extraction criteria (Williams *et al.,* 2010: 6). This

study applied the following two factor extraction criteria, as suggested by Costello and Osborne (2005: 3), Suhr (2005: 3), Williams *et al.* (2010: 6) as well as Yong and Pierce (2013: 84):

- Kaiser's criterion where an eigenvalue of more than one indicates that a factor could be retained.
- The Scree test where a Scree plot of Eigen values is drawn against component numbers. Smaller Eigen values less than one on the graphical display level off to the right and represent what is known as "Scree". These are then eliminated as factors. The factors with Eigen values more than one are generally retained as factors, depending on the principle of "departure from linearity" on the Scree plot.
- Horn's Parallel analysis is however regarded as a better technique than the previous two (Ledesma & Valero-Mora, 2007: 3). This technique assesses the eigenvalues from the correlation matrix by comparing them with those from the uncorrelated variables (Ledesma & Valero-Mora, 2007: 3).

This study applied the Parallel analysis in determining the factor structure in the EFA process.

The fourth step in the EFA protocol is the selection of a rotational method. According to Yong and Pearce (2013: 84), factors are rotated to improve the interpretation, because un-rotated factors are unambiguous. Costello and Osborne (2005: 3), however, asserted that the factors are rotated to simplify and clarify the data structure. It therefore means that a simplified data structure clarifies and improves the interpretation of the identified factors. There are basically two types of rotation, namely orthogonal rotation and oblique rotation (Yong & Pearce, 2013: 84). In orthogonal rotation the factors are rotated at 90° from each other. In orthogonal rotation it is furthermore assumed (unrealistically) that the factors are uncorrelated, but according to Costello and Osborne (2005: 3), all factors are generally correlated with one another in a factor structure. *Quartimax* and *Varimax* are two common orthogonal rotation techniques.

In oblique rotation the factors are not rotated at 90° from one another and the factors are considered to be correlated. *Direct Oblimin* and *Promax* are the most common oblique rotation techniques (Yong & Pearce, 2013: 84). According to Costello and Osborne (2005: 7), the oblique factor rotation techniques produce similar results to orthogonal factor rotation techniques when the same factor extraction procedures are applied. Since the oblique factor rotation techniques reproduce the orthogonal factor rotation solutions, but not *vice versa*, the oblique rotation is the preferred rotation technique by some researchers (Costello & Osborne, 2005: 7). Williams *et al*. (2010: 9) support the latter view and commented that "…oblique rotation produce factors that are correlated, which is often seen as producing more accurate results involving human behaviours, or when data does not meet priori assumptions". This study, however, applied the *Varimax*

normalised orthogonal rotation technique since the factors are not expected to be correlated and because there is very little difference between the oblique and orthogonal rotation techniques.

The last step in the EFA protocol involves the interpretation of the factor structure. The traditional approach with the naming of factors is that at least two or three variables should load onto a factor for a meaningful interpretation (Williams *et al.,* 2010: 9). Furthermore, items with factor loadings of more than .32 should be retained (Yong & Pearce, 2013: 85). The naming of the factors in this study was guided by the *a priori* conceptual model. This study applied a minimum factor loading of .50 for factors to be retained.

This study was guided by the EFA protocol described above and applied all the suggested parameter guidelines. The approach that this study adopted was to firstly subject the complete Section C data to an EFA. According to the *a priori* model, it is therefore expected that Section C data would have a seven factor structure. However, based on the suggestion of Cameron and Molina-Azorin (2011: 256) that exploratory research should consider different approaches within the same paradigm, and additionally based on evidence from Crema *et al.* (2014: 20), this study applied an EFA on the entire data set of Section C in order to explore its factorability.

Following on the EFA, further inferential statistical techniques including the Chi-squared hypotheses tests, ANOVA, multiple regression analyses, correlation analyses and PLS-SEM analyses were performed. The following overviews are presented on each of the mentioned techniques.

3.2.19. Chi-squared hypothesis testing

The Chi-squared hypothesis test is applied to examine the association between two categorical variables (Wegner, 2007: 338; Welman *et al.,* 2009: 229). The hypothesis testing procedure as described above also applies to the Chi-squared hypothesis testing. The data that is required to perform the Chi-squared hypothesis test is frequency counts. Observed frequencies in the data are compared to a set of expected frequencies. A Chi-squared statistic, χ^2-stat, therefore measures the extent to which the observed and expected frequencies in a data set differ (Wegner, 2007: 339). If the difference between the said frequencies is small, the null hypothesis is accepted and *vice versa*.

The categorical variables “highest educational qualification” (D05), “gender” (D06), “home language” (D07), “motivation to be in business” (D08) and “region where business is located” (D09) were assessed to determine whether there are statistically significant associations between each other. Chi-square analysis was employed to test for statistically significant associations between the categorical variables mentioned above. The null hypothesis as applied to each of the assessments states that there is no association between the two sets of variables. The null

hypothesis is rejected when $p < .05$, in which case the alternative hypothesis would be accepted. The null hypothesis is accepted where $p > .05$, in which case the decision would be that there is no association between the variables. The alternative hypothesis states that there is an association between the two sets of variables.

3.2.20. Analysis of variance (ANOVA)

The ANOVA statistical technique is applied to test hypotheses concerning multiple population means (Wegner, 2007: 382; Welman *et al.,* 2009: 237). ANOVA tests whether different sample means are from the same or from different populations. The rationale is to determine if there is any input variable that influences the outcome variable. A significant difference between the means of two populations would indicate that a statistical relationship exists between these populations. The *F*-stat is the test statistic which is calculated from the sample data to test for the acceptance or rejection of the null hypothesis. Therefore, if the calculated *F*-stat, which is derived from the analysis of sample variances, is greater than the critical value, the *F*-crit, whilst the *p*-value is less than .05, it would indicate that the null hypothesis should be rejected and *vice versa* (Wegner, 2007: 393).

The null hypothesis that applies to the ANOVA test is that all the means are equal ($\mu_1 = \mu_2 = \ldots \mu_k$) and the alternative hypothesis states that at least one of the means is different ($\mu_1 \neq \mu_2 \neq \ldots \mu_k$). The categorical variable is always the independent variable consisting of different groups or levels. The hypotheses are assessed considering the variation in the means of the respective independent variables (groups) on the dependent variable. The independent variables that were assessed by the ANOVA technique in this study were highest educational qualification (D05), gender (D06), home language (D07) and motivation to be in business (D08). The dependent variables assessed by ANOVA in this study were cognitive decision making (C), emotive decision making (E), opportunity alert entrepreneur type (O), innovative/creative entrepreneur type (I), market-oriented strategic orientation (M), relationships-oriented strategic orientation (R), small tourism enterprise performance (P) and decision context (X).

The assumptions under consideration for ANOVA included the following (Field, 2012):

- Assumption of independence: respondents should be independent without influencing other respondent's responses in the survey.
- Assumption of normality: skewness values should be within the ±3.29 limitations for normality and/or a normal probability plot of raw residuals would assist in identifying outliers for elimination purposes.

- Assumption of homogeneity of variance: Levene's Test of Homogeneity of Variance could be applied to test this assumption. A *p*-value less than .05 would indicate that the null hypothesis should be rejected in favour of the alternative hypothesis.

In cases where the assumption of homogeneity of variance cannot be met in a data set, *post hoc* procedures such as Least Significant Difference (LSD) and/or Games-Howell need to be applied as confirmatory assessments depending on certain conditions. Where the difference between the means of two groups is more than Fisher's LSD, the null hypothesis should be rejected. Games-Howell is applied where variances are unequal at $p < .01$ and for smaller sample sizes to control Type I error (Field, 2012).

When significant differences are detected in means it is furthermore appropriate to determine the effect size (Cohen's *d*) in order to calculate the degree of difference between the means (expressed in standard deviation units). The effect size is usually calculated by determining the difference between two pairwise means and then dividing this difference by an estimate of the standard deviation of the means (Field, 2012: 3).

3.2.21. Correlation and regression analyses

In regression analysis the structural relationship between two sets of variables is linearly defined, whereas in correlational analysis the strength of this relationship is defined (Wegner, 2007: 407). In regression analysis the method of least squares is used to find a best-fitting straight line to express the relationship between these two variables (Wegner, 2007: 411). Where there are two sets of variables involved, the linear expression in regression analysis as well as in correlation analysis contains reference to the dependent variable, *y*, and the independent variable, *x*. However, in multiple regression analysis there are two or more independent variables, x_i to x_n, estimating the value of the dependent variable (Wegner, 2007: 418).

The null hypothesis, H_0, that applies for all correlation relationships states that there is no relationship between the variables, or alternatively that *r* (Pearson's correlation coefficient) or rho (Spearman's correlation coefficient) is equal to zero. The alternative hypothesis, H_1, states that there is a relationship between the variables, in other words where *r* or rho is not equal to zero. The decision to reject the null hypothesis and to accept the alternative hypothesis is where $p < .05$. Where the null hypothesis is rejected, it would be regarded that a statistically significant relationship exists between the particular variables and *vice versa.* Therefore the values that are reported in this study are based on the significance level, *p*, and the correlation, *r*, between two variables. The results are grouped according to demographic numerical variable correlations, inter-construct correlations, decision context correlations and small tourism enterprise performance correlations.

The interpretation of the calculated correlation coefficients in correlational analysis is done according to a specific set of criteria. The correlation coefficient, *r*, with a calculated value of -1. 00 (minus one) is interpreted as if a perfect, inverse relationship exists between two variables. Similarly, a correlation coefficient with a value of +1. 00 (plus one) refers to a perfect, direct relationship between two variables or sets of variables. Therefore a correlation coefficient of zero would indicate that there is no relationship between the two variables (Welman *et al.,* 2009: 234). A relationship with a correlation coefficient of less than (+-) .20 indicates a very weak relationship; a relationship with a correlation coefficient of between (+-) .21 and (+-) .40 indicates a weak relationship; a correlation coefficient between (+-) .41 and (+-) .60 indicates a moderate relationship; a correlation coefficient between (+-) .61 and (+-) .80 indicates a strong relationship and a correlation coefficient between (+-) .81 and (+-) .99 indicates a very strong relationship.

In regression analyses the null hypothesis for each of the multiple regression analyses states that the respective regression coefficients are all equal or alternatively, $ß_1 = ß_2 = \ldots ß_n = 0$ (in other words the regression model offers no value). The alternative hypothesis states that at least one of the population regression coefficients or betas, $ß_x$, is not equal to zero. Additionally, the closer the sample regression coefficients are to zero, the higher the probability of accepting the null hypothesis.

3.2.22. Partial least squares structural equation modelling (PLS-SEM)

The PLS-SEM technique is a variance-based approach to structural equation modelling which is different from the more traditional covariance-based approach (Ang *et al.,* 2015: 192; De Giovanni, 2012: 265). There are many advantages for using the PLS-SEM technique instead of the traditional structural equation modelling approaches (Davcik, 2014; Hair, Sarstedt, Hopkins & Kuppelwieser, 2014; Khan & Quaddus, 2015; Martinez-Lopez, Gazquez-Abad & Sousa, 2013; Monecke & Leisch, 2012; Wong, 2013). According to Sarstedt (2008: 140), the PLS-SEM is preferred because:

- it is suitable for small sample sizes;
- normality assumptions do not have to be met;
- it has good predictive accuracy;
- it can accommodate improper and non-convergent results;
- observations do not have to be independent; and
- the PLS-SEM model incorporates formative indicators.

The PLS-SEM is an exploratory technique with a focus on the development of new theory and it does so by explaining the variance in the dependent variables of the model (Svensson, 2015: 448). It can furthermore be applied to predict some antecedents to important predictor latent variables (Teo, Tan, Ooi, Hew & Yew, 2015: 317).

The PLS-SEM technique can assess the measurement model and the structural model at the same time (Ang *et al.,* 2015: 193). In the measurement (outer) model the factor loadings, average variance extracted (AVE) and the composite reliability (CR) are calculated to determine the convergent validity of the model. The discriminant validity is also calculated in the measurement model (Ang *et al.,* 2015: 194). The suggested minimum values for these parameters should be: factor loadings (.60), AVE (.50) and for CR (.70) (Ang *et al.,* 2015: 194). In the structural model the path coefficients (ß) are calculated and presented with the R^2. The path coefficient expresses the strength of the relationship between the antecedent and the dependent variable (predictor variable) whilst the R^2 is a measure of the predictive accuracy or it alternatively explains the amount of variance in the dependent variable (Ang *et al.,* 2015: 194). Multicollinearity is usually not a problem in the PLS-SEM, but it could be calculated [$1/(1 - R^2)$]. A variance inflation factor (VIF) of <10 rules out multicollinearity (Kumar & Banerjee, 2012: 907).

The *a priori* model as formulated by this study was explored by the PLS-SEM in order to identify predictive relationships in the model.

3.2.23. Summary

The quantitative approach describes the complete process from data types, data sources, questionnaire development, defining South African SMEs, the population and the sample of this study, the data collection and finally distinguishing between descriptive and inferential statistical techniques as applied by this study.

The findings of the quantitative approach provide an expanded view of small tourism accommodation enterprise performance highlighting the role of the South African entrepreneur as decision-maker within this process.

3.2.24. Ethical clearance

The University of Stellenbosch's (US) Senate approved a "Framework Policy for the Assurance and Promotion of Ethically Accountable Research" on the 20th March 2009. The basic principles and values of this policy are to promote the following:

- Integrity
- Respect
- Beneficence and non-maleficence
- Responsibility
- Scientific validity and peer review
- Justice
- Academic freedom and dissemination of research results.

All Master's and Doctoral research projects at the University of Stellenbosch have been subject to ethical clearance since 2012, and therefore the researcher applied for ethical clearance for this study. The ethical clearance application form that was submitted to the Ethics Screening Committee is available as Appendix B.

Ethical clearance to proceed with this study was obtained on the 29th September 2014. The reference number for the ethical clearance is BD180. A copy of the ethical clearance notification is available as Appendix C.

3.3. CONCLUDING REMARKS

This chapter has presented the research methodology framework of the study. It covered the measurement instrument development process, population characteristics, sampling, together with descriptions and discussions about the quantitative techniques that were applied by the study.

The subsequent chapter presents the analysis and the results of the quantitative approach that was followed by this study. The results in the next chapter present a holistic perspective regarding the inter-relatedness of the different entrepreneur types, different entrepreneur decision styles, strategic orientations, decision context variables and some demographic characteristics as co-determinants of formal small tourism enterprise performance in South Africa.

CHAPTER 4
EMPIRICAL RESULTS

4.1. INTRODUCTION

This chapter firstly presents the response history followed by the analyses and results of the quantitative approach as explained in Chapter 3.

Quantitative analyses outputs of results are presented as supportive materials in the appendices to the result presentations in this chapter. Appendix F contains the supportive descriptive statistics whilst Appendix G contains supportive analyses and results outputs of all the inferential statistical procedures that were applied on the data set of this study. The main quantitative results and inferences are presented in this chapter.

This chapter concludes with a summary reflecting on the quantitative analyses and results.

4.2. RESPONSE HISTORY

On Sunday, 23rd of November 2014, 4 715 entrepreneurs of small tourism enterprises were approached by email for the first time to participate in this study. One thousand seven hundred (36%) emails were undelivered and returned to the sender. Fifty-eight responses were received on the 23rd November; a further 19 responses were received by the 30th November; four more responses by the 7th December and another one by the 14th December (see Figure 4.1 for the response history). Therefore, a total of 82 (2.72%) responses were received within the first two weeks of the initial email approach. A reminder was sent out by email on Sunday the 25th January 2015 only to those on the database (2856) who had not responded to the first email on the 23rd November 2014. Seventeen more responses were received on the 25th January with a further two by the 1st of February. Therefore, by the 1st of February a total number of 101 (3.35%) responses had been received. A last reminder was sent out to those who have never responded to the request for participation on the 31st May. Five responses were received on the 31st May with a further 43 responses by the 7th June and two more by the 14th June. A total of seventy seven respondents (2.55%) indicated that they did not want to participate in the survey. Therefore, a total number of 151 (5.01%) responses were received after the three requests for participation in this study.

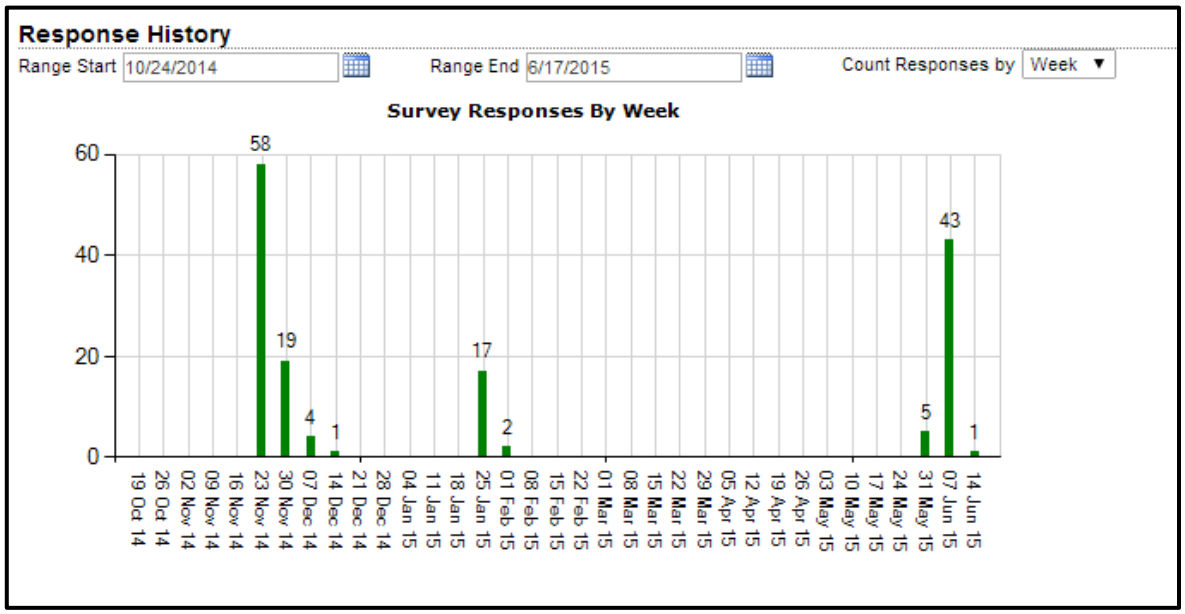


Figure 4.1: Survey response history

The mean (*M*) age of the ventures in this study's data set was 14 years with a standard deviation (*SD*) of 9.55 years. There was one venture that indicated a venture age of 80 years. This latter venture with the venture age of 80 years was regarded as an outlier. If this outlier was removed, the skewness in the data distribution would be normalised to within the acceptable range of ±3.29. Ninety percent of the ventures in the data set were between zero and 20 years old with 41% not being older than 10 years.

The age of the owner-manager (*M* = 56.8, *SD* = 10.5) was normally distributed with an acceptable skewness factor of -.4. Approximately 7% of the owner-managers were younger than 40 years of age. Sixty-five percent of the owner-managers in this data set were between 51 and 70 years old.

The owner-managers' years of experience in the tourism industry (*M* = 14, *SD* = 7.3) with a skewness factor of .4 was normally distributed. Seventy percent of these owner-managers had between six and 20 years of experience in the tourism industry.

The distribution of the number of employees (*M* = 5.8, *SD* = 5.8) in the data set was slightly skewed (3.6) due to one enterprise that employed 40 employees. This latter venture with the 40 employees was regarded as an outlier. If this outlier was removed, the skewness in the data distribution was normalised to within the acceptable range of ±3.29. Eighty-eight percent of the enterprises had between one and ten employees whilst 63% of the ventures in the data set indicated that they had between one and five employees.

Three categories were recorded for the highest educational qualification – 23.8% of the respondents indicated that they had a secondary school certificate; 45.7% of respondents had a

three year degree or diploma and 30.5% indicated that they had a post graduate qualification. Forty-seven percent of the respondents were female and 53% were male. Fifty-seven percent of the respondents speak English at home; 36.4% speak Afrikaans; 1.3% speak an indigenous African language and 5.3% speak other (European) languages at home. In terms of the motivation to be in business, 23.2% of the respondents indicated that they were in business in order to survive; 44.4% were in the business for the lifestyle associated benefits and 32.4% of the respondents indicated growth as a prerogative for being in business.

The respondents were distributed through the nine South African provinces as follows: 7.3% from Gauteng; 13.9% from KwaZulu-Natal; 47.7% from the Western Cape; 13.9% from the Eastern Cape; 6% from the Northern Cape; 2.6% from the Free State; 2% from North West; 2.6% from Limpopo and 4% from Mpumalanga.

Based on the proxies that were identified from BER (2016), Hamm (2014) and Tassiopoulos (2010) against which the sample parameters of this study were compared, the following interpretations were made:

- BER (2016) reported that approximately 53% of owners were in the age groups 45–64; Tassiopoulos (2010) reported that the majority, therefore more than 50%, of tourism entrepreneurs were in the age groups 45–54. The sample in this study was found to have approximately 50% of respondents in the 41–65 age groups. Grounded on this indication it was interpreted that the sample of this study was representative of the population according to the age category of the owner/entrepreneur.
- BER (2016) reported that approximately 60% of the formally registered entrepreneurs in the trade and accommodation sector of the South African economy possess post-matric qualifications of which 45.7% are in possession of a degree or diploma, in other words they are well educated. This study found that 45.7% of the accommodation entrepreneurs hold 3year degrees or diplomas and 30% possess post graduate qualifications. It was therefore interpreted that the sample of this study is representative of the well-qualified population of accommodation owner/entrepreneurs.
- Hamm (2014) claimed that the majority (>50%) of small and micro accommodation owners in South Africa provide employment to between three and nine people. This study found that 88% of the responding owner-managers employ between one and ten people of which 63% owner-managers employ between one and five employees. It was therefore interpreted that the sample of this study is representative of the population based on the number of employees characteristic.

- Tassiopoulos (2010) reported an approximation of geographically distributed tourism entrepreneurs in South Africa as follows: Gauteng (26.3%); KwaZulu-Natal (15.6%); Western Cape (28.7%); Eastern Cape (16.8%); Northern Cape (3.6%); Free State (2.4%); North West (0.6%); Limpopo (1.2%) and Mpumalanga (4.8%). The respondents in this study were distributed as follows: Gauteng (7.3%); KwaZulu-Natal (13.9%); Western Cape (47.7%); Eastern Cape (13.9%); Northern Cape (6%); Free State (2.6%); North West (2%); Limpopo (2.6%) and Mpumalanga (4%). Based on this comparison it seems as if this study was under-sampled in the Gauteng Province and over-sampled in the Western Cape Province, but for all the other provinces the distribution of accommodation enterprise respondents were representative of the population in terms of geographical distribution characteristic (see Table 4.1 for the comparison). This study performed an analysis (Table 4.29) to test whether there were any significant differences in the responses between the Provinces. All the *p*-values of the LS Means current effect analyses for STEP, CDS, EDS, KET, SET, MSO and RSO in Table 4.29 were greater than 0.05 ($p > 0.05$). The null hypothesis for each of the listed analyses was therefore accepted. This means that there were no statistically significant differences between the STEP, CDS, EDS, KET, SET, MSO and RSO means according to the location categories of the respondents. It could therefore be concluded at a 95% certainty level that the location of respondents had no significant influence on the respondent's responses to the STEP, CDS, EDS, KET, SET, MSO and RSO construct items.

Table 4.1: Comparison of response rates (%) between two SA tourism studies

	Tassiopoulos (2010)	This study
Gauteng	26.3	7.3
Kwazulu-Natal	15.6	13.9
Western Cape	28.7	47.7
Eastern Cape	16.8	13.9
Northern Cape	3.6	6
Free State	2.4	2.6
North West	0.6	2
Limpopo	1.2	2.6
Mpumalanga	4.8	4
Total	100	100

The sample of this study was therefore found to be representative of the population based on the following categories: age of the owner-manager; qualifications of the owner-manager and the number of employees employed by the enterprises. Apart from the Gauteng and Western Cape Provinces, the geographical distribution of enterprises in South Africa seemed to be representative

of the population. The findings of this study could therefore be generalised to the population where the sample met the population characteristics.

4.3. QUANTITATIVE ANALYSES

This section starts with a presentation of non-response bias followed by the descriptive statistics of the demographic variables, the descriptive statistics of the main constructs, namely entrepreneur types, decision styles, decision context, strategic orientations and small tourism enterprise performance.

The descriptive statistics is followed by the reliability coefficients of the entrepreneur types, decision styles, strategic orientations and small tourism enterprise performance constructs. The results of the exploratory factor analysis (EFA), Chi-square analyses, correlations, multiple regression analyses, analyses of variance (ANOVA) and partial least squares structural equation modelling (PLS-SEM) then follow.

The quantitative analyses and results are presented in a summarised format in this chapter, but they are supported by more detailed analyses results in table and figure formats in Appendix F (Descriptive Statistics) and Appendix G (Inferential Statistics) respectively. The process of statistical tests and the types of data that were applied in this study is as follows:

A: DESCRIPTIVE STATISTICS

(mean; median; mode; minimum; maximum; lower quartile; upper quartile; range; quartile range; variance; standard deviation; coefficient of variation; skewness; kurtosis; frequency; distribution)

B: INFERENTIAL STATISTICS

1. Reliability analyses

(STEP; KET; SET; CDS; EDS; MSO; RSO – Cronbach alphas)

2. Kaiser-Mayer-Olkin measure of sampling adequacy

(STEP; KET; SET; CDS; EDS; MSO; RSO)

3. Bartlett's test of sphericity

(STEP; KET; SET; CDS; EDS; MSO; RSO – p-value for significance)

4. Parallel analysis

(STEP; KET; SET; CDS; EDS; MSO; RSO)

5. Exploratory factor analysis

(principle component extraction method; Varimax rotation; item loadings; Eigen values; percentage explanation of variation in the data set; percentage reduction of the number of items)

6. Partial least squares sequential equation modelling

(*Reliability of outer model*: composite reliability; average variance extraction; discriminant validity; outer model loadings; *Structural/inner model:* R^2; multi-collinearity; path coefficients; p-values; graphical model)

7. Correlation analyses

(Pearson's product moment; Spearman's rho; R-values; p-values)

(STEP; KET; SET; CDS; EDS; MSO; RSO; Numeric demographic data; Decision context ranked)

8. Chi-square analyses

(Categorical demographic data; X^2-statistic value; p-values)

9. Analyses of variance

(*Parametric*: one-way ANOVA; *Non-parametric:* Kruskal-Wallis one-way analyses by ranks; Mann-Whitney U test)

(Least square means; Levene's test of homogeneity of variance; Least square difference post hoc test; Games Howell post hoc test; F-statistic value; p-values)

10. Multiple regression analyses

(F-statistic; R^2; beta-values; T-statistic; p-values)

The STEP construct measured eight different aspects of enterprise performance, namely "the number of customers" (P01),; "customer spending" (P02), "profit margin" (P03), "number of employees" (P04), "number of loyal or repeat customers" (P05), "sales revenue" (P06), "total costs" (P07), and "employee costs" (P08). Decision-making style was measured by two different constructs, namely "cognitive decision making" (C01-C10) and "emotive decision making" (E01-E15). Entrepreneur type was measured by two constructs, namely "innovative/creative" (I01-I10) and "opportunity alertness" (O01-O10). Strategic orientation was measured by two constructs, namely "market oriented" (M01-M12) and "relationships oriented" (R01-R10). Table 4.2 summarises the means and the standard deviations of the responses to the above-mentioned construct items.

Table 4.2: Response means and standard deviations

STEP	P01	P02	P03	P04	P05	P06	P07	P08							
M	3.71	3.35	3.17	3.16	3.79	3.62	4.19	4.01							
SD	1.16	1.07	1.12	.65	.87	1.04	.84	.74							
CDS	C01	C02	C03	C04	C05	C06	C07	C08	C09	C10					
M	5.99	5.91	6.00	4.09	5.63	5.91	5.74	6.13	5.56	5.03					
SD	1.07	1.00	.87	1.76	1.42	1.13	1.30	.95	1.26	1.60					
EDS	E01	E02	E03	E04	E05	E06	E07	E08	E09	E10	E11	E12	E13	E14	E15
M	5.23	5.54	4.18	3.66	3.85	3.02	3.09	4.34	3.41	2.49	5.20	5.22	4.53	4.42	5.51
SD	1.51	1.50	1.72	1.80	1.84	1.65	1.65	1.78	1.71	1.51	1.30	1.47	1.79	1.63	1.76
SET	I01	I02	I03	I04	I05	I06	I07	I08	I09	I10					
M	5.19	5.21	5.03	4.54	4.91	3.99	5.50	5.41	6.25	5.97					
SD	1.31	1.25	1.39	1.46	1.46	1.74	1.04	1.05	.77	.90					
KET	O01	O02	O03	O04	O05	O06	O07	O08	O09	O10					
M	5.42	4.23	4.98	4.56	4.84	3.72	4.02	4.86	5.09	3.92					
SD	1.42	1.59	1.37	1.53	1.40	1.45	1.52	1.37	1.38	1.42					
MSO	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12			
M	4.76	4.64	4.19	4.56	5.78	4.66	4.68	4.01	3.91	4.11	4.97	4.09			
SD	1.73	1.75	1.66	1.70	.90	1.83	1.69	1.85	1.80	1.82	1.30	1.79			
RSO	R01	R02	R03	R04	R05	R06	R07	R08	R09	R10					
M	6.15	6.01	4.65	5.70	5.69	5.00	4.89	4.70	5.21	5.51					
SD	.84	.91	1.65	1.06	1.00	1.37	1.76	1.70	1.55	1.55					

4.3.1. Factor structure of measurement instrument

The factor structure of the measurement instrument was explored by firstly applying the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity to the data set by means of the SPSS Version 22 Software. The KMO measure of sampling adequacy should ideally be above .50 and Bartlett's test of sphericity should ideally be less than .05 for a data set to be acceptable for exploratory factor analysis (EFA). Table 4.3 displays the analyses outcomes for the KMO and Bartlett's values of this study's data set. A KMO value of .644 and a Bartlett's value of .000 indicate that this study's data set is suitable for EFA.

Table 4.3: KMO and Bartlett's tests

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.644
Bartlett's Test of Sphericity:	Approximate Chi-square	6355.715
	Degrees of freedom	2775
	Significance	.000

Source: IBM Corp, 2013.

The second step in the process to explore that factor structure was to perform a parallel analysis. Figure 4.2 displays the outcome of the parallel analysis. The intersection of the resampled line with the scree graph occurs at a point which suggests that an 8-factor solution is indicated.

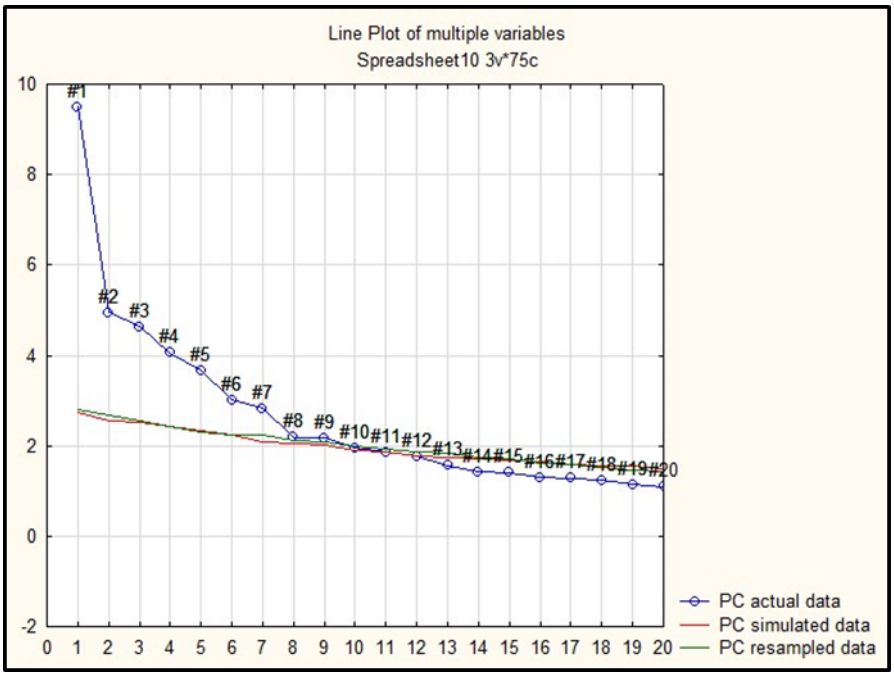


Figure 4.2: Parallel analysis

The Eigen values for the indicated 8-factor solution are displayed in Table 4.4 below. The Eigen values range from 9.49 for the first factor to 2.19 for the eighth factor. Principle components extraction with Varimax normalised rotation methods were used to extract the factors. This 8-factor structure explains 46.43 % of the variation in the data set, meaning that approximately 54% of the variation in the data set is due to other factors.

Table 4.4: Eigen values

Eigenvalues (Spreadsheet103 in resultate.stw)
Extraction: Principal components

	Eigenvalue	% Total (variance)	Cumulative (Eigenvalue)	Cumulative (%)
1	9.491119	12.65483	9.49112	12.65483
2	4.944217	6.59229	14.43534	19.24711
3	4.637069	6.18276	19.07240	25.42987
4	4.054034	5.40538	23.12644	30.83525
5	3.668056	4.89074	26.79449	35.72599
6	3.007773	4.01036	29.80227	39.73636
7	2.831548	3.77540	32.63381	43.51175
8	2.191801	2.92240	34.82562	46.43415

Item loadings exceeding 0.50 were considered for items to be retained for a particular factor. Each factor furthermore has a minimum of two items defining the factor.

The following items were associated with factors one to eight respectively (with item loadings in brackets):

- Factor 1 (named “Kirznerian Entrepreneur Type” - KET): O03 (.65); O04 (.70); O05 (.61); O09 (.65); M01 (.64); M02 (.70); M03 (.71); M04 (.58);
- Factor 2 (named “Emotive Decision Style”- EDS): E01 (.53); E05 (.60); E06 (.67); E07 (.71); E10 (.62);
- Factor 3 (named “Cognitive Decision Style” - CDS): C01 (.74); C02 (.80); C03 (.74); C06 (.60); C07 (.68); C08 (.55); C09 (.55); C10 (.51);
- Factor 4 (named “Small Tourism Enterprise Performance” – STEP): P01 (.84); P02 (.81); P03 (.83); P04 (.50); P05 (.65); P06 (.88);
- Factor 5 (named “Schumpeterian Entrepreneur Type” - SET): - (with O06; O07 and O10 negatively scored): O06 (.68); O07 (.73); O10 (.72); I01 (.60); I02 (.52); I08 (.53);
- Factor 6 (named “Market Strategic Orientation” – MSO): - (all items were negatively scored): M12 (.52); R08 (.65); R09 (.59); R10 (.54);
- Factor 7 (named “Relationships Strategic Orientation” – RSO): R02 (.58); R03 (.66); R04 (.73); R05 (.53); R 06 (.72);
- Factor 8 (named “Creative Problem Solving” – CPS): I09 (.51); I10 (.51).

By means of the EFA, the number of items in the measurement instrument was therefore effectively reduced by approximately 41% from the original 75 to 44. Table 4.5 displays the 8-factor model with the respective items that load onto each of the above mentioned factors.

Table 4.5: EFA illustrating item loadings on eight factors

Factor Loadings (Varimax normalized) (Spreadsheet103 in resultate.stw)
Extraction: Principal components
(Marked loadings are >.700000)

	Factor (1)	Factor (2)	Factor (3)	Factor (4)	Factor (5)	Factor (6)	Factor (7)	Factor (8)
P01	0.105320	0.016044	0.148221	0.841856	0.038966	-0.088740	0.018124	0.054553
P02	-0.017124	0.145428	0.081187	0.807452	0.029970	-0.003746	0.167226	0.072103
P03	-0.029998	-0.043841	0.044378	0.825482	0.046748	0.096031	0.100956	0.112701
P04	0.114862	-0.055915	0.108784	0.500112	-0.074577	0.134104	-0.044440	0.190239
P05	0.061881	-0.000886	0.178000	0.653571	-0.068335	0.145954	0.075413	-0.121967
P06	0.107393	-0.023305	0.035137	0.882055	0.012379	-0.036689	0.115386	0.063021
P07	0.266537	0.237796	0.340509	0.089249	0.002184	-0.148680	-0.049484	-0.148535
P08	0.264178	0.134121	0.456722	0.281622	0.047317	-0.107617	0.006588	-0.065645
C01	-0.021188	-0.131253	0.742002	0.049541	0.045481	0.212034	-0.073141	0.122204
C02	0.089024	-0.162732	0.803417	0.047551	0.059989	0.136491	-0.004604	0.046774
C03	0.093300	-0.093785	0.737996	0.080403	0.119367	0.073148	-0.011765	0.059910
C04	0.016091	0.187708	0.176744	-0.218427	-0.128815	-0.178332	-0.031122	-0.070542
C05	0.289633	0.020436	0.468621	0.137334	-0.052123	-0.047984	-0.069279	0.394989
C06	-0.024273	0.002578	0.596691	0.052583	0.155332	-0.156626	0.115598	-0.123606
C07	0.028074	-0.037144	0.676186	-0.025891	0.121557	-0.095403	0.052544	-0.166341
C08	0.011414	0.202887	0.546855	0.185589	0.185957	0.033854	0.109462	0.070915
C09	-0.034507	-0.116356	0.553104	0.204236	-0.060240	-0.014329	0.009871	0.256797
C10	0.141016	-0.400547	0.505495	-0.059208	-0.119657	0.023585	0.130852	-0.034403
E01	0.107437	0.533834	0.278763	0.126671	0.294342	-0.012993	0.277454	-0.066969
E02	0.119278	-0.001598	0.463648	-0.059349	-0.143007	0.000419	0.116884	0.150699
E03	-0.148786	0.340153	0.108661	0.007049	0.049339	-0.097524	-0.058793	0.122236
E04	-0.209862	0.480267	-0.106166	-0.033958	-0.012050	-0.106313	-0.003282	0.103558
E05	0.109538	0.603513	-0.082089	0.171623	0.220425	0.014776	0.168332	-0.130122
E06	-0.081386	0.666575	-0.283958	-0.033323	-0.079233	0.113891	0.112760	-0.039297
E07	-0.043818	0.712257	-0.422761	0.020072	0.121591	0.014374	-0.034454	-0.016017
E08	0.301993	0.332468	0.103978	-0.023770	-0.371558	0.111073	0.105883	0.088386
E09	-0.040261	0.416052	-0.028092	-0.050157	-0.133903	-0.062099	-0.113414	0.206539
E10	0.073378	0.616912	-0.289547	-0.107051	-0.171895	-0.021222	0.030014	-0.057142
E11	0.060944	0.065864	0.188719	0.263953	0.149255	-0.069125	-0.253432	0.407287
E12	0.387300	0.034977	0.144941	0.138579	0.203260	-0.072209	-0.215352	0.428332
E13	-0.004260	0.307085	0.081622	-0.407104	-0.192170	-0.152186	-0.076639	0.091423
E14	0.145897	0.419853	0.219063	-0.208937	-0.297648	-0.002877	0.001947	-0.136558
E15	0.154074	0.367435	0.249185	0.219708	0.012580	-0.019933	0.072105	-0.063804
O01	0.382174	-0.043796	0.289316	-0.090875	0.065026	0.111592	0.111961	0.467087
O02(reversed)	0.246642	-0.243336	-0.239594	0.074697	0.339532	0.182300	-0.142821	-0.175058
O03	0.645907	-0.224130	0.040899	0.125499	0.291793	0.097251	0.051987	0.221507
O04	0.702599	-0.143368	0.008470	0.100677	0.312010	-0.006917	0.065550	0.173370
O05	0.612268	-0.171375	-0.000742	0.224009	0.361881	-0.052998	0.057399	0.162885
O06	-0.011697	0.076788	-0.053002	-0.121539	-0.680883	-0.307280	0.154003	-0.033857
O07	0.126811	0.058621	-0.025147	0.012718	-0.725716	-0.272856	0.201957	0.108055
O08	0.430592	-0.117593	0.047802	-0.117961	-0.101924	-0.263279	-0.043144	0.470624
O09	0.653558	-0.099615	-0.083562	0.129211	0.282235	-0.168103	0.083441	0.185611
O10	0.110606	0.138729	-0.075025	-0.015275	-0.718112	-0.237994	0.112149	0.036857
I01	0.197321	0.104350	0.042266	-0.055381	0.602988	-0.076742	0.238731	0.120575
I02	0.261520	0.036229	0.142938	-0.108703	0.515742	0.050043	0.216549	0.204244
I03	0.030772	0.092685	0.217008	0.044014	0.499260	-0.067882	-0.032709	0.088072
I04(reversed)	0.101404	-0.369109	-0.165145	0.197354	0.292627	0.223936	-0.077660	0.172036
I05	0.213606	0.122016	0.017351	-0.068648	0.277109	-0.222921	0.245840	-0.089930
I06(reversed)	-0.135318	-0.434501	-0.127240	0.104518	0.116953	0.229988	-0.060849	0.366594
I07	0.078031	0.051494	0.018340	-0.001501	0.415860	-0.201275	0.447426	0.343946
I08	0.155620	-0.001641	-0.017766	-0.012861	0.533417	-0.051383	0.422672	0.328328
I09	0.024079	-0.139215	0.102416	-0.059343	0.293749	-0.134612	0.300822	0.506832
I10	0.003501	-0.054174	0.177726	0.038181	0.326407	-0.078509	0.186579	0.514120
M01	0.641693	0.033823	0.200672	-0.039048	-0.198848	0.238120	0.030962	0.074639
M02	0.700466	0.057074	0.156141	-0.030023	-0.164216	0.252519	0.034737	0.044680
M03	0.710615	-0.001072	0.138561	0.018087	-0.115223	0.059173	0.222416	-0.010912
M04	0.576287	0.166342	0.221247	0.049020	-0.041350	0.184829	0.121771	0.134386
M05	0.045864	0.025761	0.040503	0.171282	-0.023713	0.041641	0.283833	0.297361
M06	0.307122	0.112926	-0.076505	0.047278	0.022484	0.079944	0.026058	0.328480
M07	0.311720	0.062089	-0.154034	0.177462	-0.040367	0.277858	0.233207	0.333886
M08(reversed)	0.166624	-0.119055	0.141693	-0.054707	0.021326	0.384507	0.031734	-0.068066
M09	0.261096	-0.126330	-0.005384	0.145914	-0.011067	0.031692	0.119273	0.471392
M10	0.188515	-0.002417	-0.008592	0.020040	0.040017	0.137722	0.101644	0.448273
M11	-0.039257	0.188988	-0.121059	-0.004110	-0.082008	-0.233736	0.019521	0.428910
M12(reversed)	0.062787	-0.034902	0.101878	0.117371	0.124647	0.516073	-0.069345	-0.036653
R01	0.070910	0.213647	0.276247	0.045763	0.089481	0.347100	0.207505	0.320126
R02	-0.074187	0.065595	0.098981	0.221585	-0.006048	0.029211	0.578235	0.133386
R03	0.118037	0.078811	0.014231	0.095798	-0.078376	-0.139370	0.662532	0.059088
R04	0.091066	0.025443	0.089874	0.093327	0.018156	0.177745	0.725296	0.051860
R05	0.091661	-0.074815	0.092575	-0.006865	-0.124362	0.413047	0.529133	0.289724
R06	0.162683	-0.018271	0.021461	0.030253	0.036370	0.033756	0.717941	-0.062359
R07(reversed)	0.134649	0.025694	-0.078464	0.072896	0.087985	0.492199	-0.015432	-0.075921
R08(reversed)	-0.042360	-0.028659	-0.098670	-0.044402	-0.005360	0.652597	0.057772	-0.024996
R09(reversed)	-0.018784	0.034985	-0.014887	0.111430	0.075580	0.586240	-0.019624	0.019362
R10(reversed)	0.103626	-0.255524	-0.025713	-0.013056	-0.047476	0.536212	0.143904	0.089985
Expl.Var	5.230630	4.275235	5.562200	4.567198	4.591888	3.304538	3.605314	3.688612
Prp.Totl	0.069742	0.057003	0.074163	0.060896	0.061225	0.044061	0.048071	0.049181

Table 4.6: Significant item loadings in the measurement model

Latent variables (constructs)	Significant items (*p*=.00)
Cognitive decision making (CDS)	C01 - C03; C05 - C10
Emotive decision making (EDS)	none
Innovative/creative entrepreneur type (SET)	I01 – I03; I05; I07 – I10
Opportunity alert entrepreneur type (KET)	O01; O03 – O05; O08 – O09
Market-oriented strategic orientation (MSO)	M01 – M07; M09 – M10
Relationships-oriented strategic orientation (RSO)	R01 – R06
Small tourism enterprise performance (STEP)	P01 – P06; P08

4.3.2. Reliability and validity of constructs

The reliability or internal consistency of a construct is an indication of how consistently it produces the same results if it is applied repeatedly. The reliabilities, by means of Cronbach alpha calculations in the data set, were determined by means of the Statistica Software. A Cronbach alpha of more than 0.70 is considered as good, but a moderate Cronbach alpha of more than 0.60 is also considered as acceptable for exploratory studies as in this case (Pentz, 2011: 162).

Tables 4.7 to 4.13 below present the reliability analyses of small tourism accommodation enterprise performance (STEP), cognitive decision making (CDS), emotive decision making (EDS), Kirznerian entrepreneur type (KET), Schumpeterian entrepreneur type (SET), market strategic orientation (MSO) and relationships strategic orientation (RSO) respectively.

Table 4.7 presents the reliability analysis of the STEP construct. Eight items (P01–P08) were included to measure the STEP according to the perceptions of the respondents. The average inter-item correlation for this construct is 0.41. The Cronbach alpha coefficient for the STEP construct is 0.84 (>0.70), which could be improved to 0.87 if item (question) P07 is removed from the construct. The measuring instrument for STEP used for this study is therefore considered to be reliable.

Table 4.7: Reliability – Small Tourism Enterprise Performance (STEP)

Summary for scale: Mean=28.9934 Std.Dv.=5.27193 Valid N:151 (Spreadsheet103 in resultate.stw)
Cronbach alpha: .843109 Standardized alpha: .831457
Average inter-item corr.: .413340

	Mean if (deleted)	Var. if (deleted)	StDv. if (deleted)	Itm-Totl (Correl.)	Squared (Multp. R)	Alpha if (deleted)
P01	25.28	18.52	4.30	0.78	0.70	0.80
P02	25.64	19.67	4.44	0.72	0.61	0.80
P03	25.82	19.34	4.40	0.72	0.64	0.80
P04	25.83	24.35	4.93	0.44	0.29	0.84
P05	25.20	22.17	4.71	0.57	0.36	0.83
P06	25.38	19.14	4.37	0.81	0.76	0.79
P07	24.81	25.49	5.05	0.17	0.40	0.87
P08	24.99	24.21	4.92	0.39	0.47	0.84

Table 4.8 presents the reliability analysis of the CDS construct. Ten items (C01–C10) were included to measure the CDS according to the perceptions of the respondents. The average inter-item correlation for this construct is 0.32. The Cronbach alpha coefficient for the CDS construct is 0.78 (>0.70), which could be improved to 0.83 if item (question) C04 is removed from the construct. The measuring instrument for CDS used for this study is therefore considered to be reliable.

Table 4.8: Reliability - Cognitive Decision Style (CDS)

Summary for scale: Mean=56.0000 Std.Dv.=7.34121 Valid N:151 (Spreadsheet103 in resultate.stw)
Cronbach alpha: .780275 Standardized alpha: .819174
Average inter-item corr.: .323895

	Mean if (deleted)	Var. if (deleted)	StDv. if (deleted)	Itm-Totl (Correl.)	Squared (Multp. R)	Alpha if (deleted)
C01	50.01	43.87	6.62	0.61	0.57	0.75
C02	50.09	42.73	6.54	0.76	0.68	0.73
C03	50.00	45.10	6.72	0.66	0.53	0.75
C04	51.91	48.53	6.97	0.08	0.06	0.83
C05	50.37	43.66	6.61	0.42	0.23	0.77
C06	50.09	45.16	6.72	0.47	0.34	0.76
C07	50.26	42.50	6.52	0.55	0.44	0.75
C08	49.87	47.38	6.88	0.40	0.29	0.77
C09	50.44	43.13	6.57	0.53	0.38	0.75
C10	50.97	42.15	6.49	0.43	0.30	0.77

Table 4.9 presents the reliability analysis of the EDS construct. Fifteen items (E01–E15) were included to measure the EDS according to the perceptions of the respondents. The average inter-item correlation for this construct is 0.14. The Cronbach alpha coefficient for the EDS construct is

0.70 which could be improved to 0.71 if items (question) E07, E11 and E12 are removed from the construct. The measuring instrument for EDS used for this study is therefore considered to be reliable.

Table 4.9: Reliability – Emotive Decision Style (EDS)

Summary for scale: Mean=63.6887 Std.Dv.=10.8598 Valid N:151 (Spreadsheet103 in resultate.stw)
Cronbach alpha: .701502 Standardized alpha: .693809
Average inter-item corr.: .137022

	Mean if (deleted)	Var. if (deleted)	StDv. if (deleted)	Itm-Totl (Correl.)	Squared (Multp. R)	Alpha if (deleted)
E01	58.46	101.73	10.09	0.43	0.51	0.67
E02	58.15	113.26	10.64	0.05	0.23	0.71
E03	59.51	104.91	10.24	0.26	0.19	0.69
E04	60.03	102.46	10.12	0.32	0.26	0.69
E05	59.83	96.81	9.84	0.47	0.53	0.66
E06	60.67	98.99	9.95	0.47	0.52	0.67
E07	60.60	98.35	9.92	0.49	0.54	0.66
E08	59.35	103.34	10.17	0.30	0.17	0.69
E09	60.28	102.90	10.14	0.33	0.30	0.68
E10	61.20	102.17	10.11	0.42	0.54	0.67
E11	58.49	113.81	10.67	0.06	0.39	0.71
E12	58.47	112.67	10.61	0.08	0.39	0.71
E13	59.16	105.42	10.27	0.23	0.30	0.70
E14	59.27	103.88	10.19	0.32	0.34	0.69
E15	58.18	102.74	10.14	0.32	0.31	0.69

Table 4.10 presents the reliability analysis of the KET construct. Ten items (O01–O10) were included to measure the KET according to the perceptions of the respondents. The average inter-item correlation for this construct is 0.19. The Cronbach alpha coefficient for the KET construct is 0.64 which could be improved to 0.69, which is moderate (>0.60), if item (question) O02 is removed from the construct. The measuring instrument for KET used for this study is therefore considered to be reliable.

Table 4.10: Reliability – Kirznerian Entrepreneur Type (KET)

Summary for scale: Mean=45.6424 Std.Dv.=7.02789 Valid N:151 (Spreadsheet103 in resultate.stw)
Cronbach alpha: .640769 Standardized alpha: .651903
Average inter-item corr.: .186752

	Mean if (deleted)	Var. if (deleted)	StDv. if (deleted)	Itm-Totl (Correl.)	Squared (Multp. R)	Alpha if (deleted)
O01	40.22	41.67	6.46	0.29	0.29	0.62
O02(reversed)	41.42	47.25	6.87	-0.03	0.22	0.69
O03	40.66	38.30	6.19	0.52	0.60	0.57
O04	41.08	36.22	6.02	0.57	0.72	0.55
O05	40.80	38.56	6.21	0.50	0.65	0.58
O06	41.92	46.39	6.81	0.03	0.57	0.67
O07	41.62	43.49	6.60	0.16	0.61	0.65
O08	40.78	38.36	6.19	0.52	0.34	0.57
O09	40.56	38.17	6.18	0.53	0.49	0.57
O10	41.72	44.88	6.70	0.11	0.59	0.65

Table 4.11 presents the reliability analysis of the SET construct. Ten items (I01–I10) were included to measure the SET according to the perceptions of the respondents. The average inter-item correlation for this construct is 0.25. The Cronbach alpha coefficient for the SET construct is 0.71 which could be improved to 0.74 if item (question) I06 is removed from the construct. The measuring instrument for SET used for this study is therefore considered to be reliable.

Table 4.11: Reliability – Schumpeterian Entrepreneur Type (SET)

Summary for scale: Mean=52.0000 Std.Dv.=6.68032 Valid N:151 (Spreadsheet103 in resultate.stw)
Cronbach alpha: .710234 Standardized alpha: .758243
Average inter-item corr.: .248989

	Mean if (deleted)	Var. if (deleted)	StDv. if (deleted)	Itm-Totl (Correl.)	Squared (Multp. R)	Alpha if (deleted)
I01	46.81	35.03	5.92	0.49	0.44	0.67
I02	46.79	34.78	5.90	0.54	0.41	0.66
I03	46.97	36.16	6.01	0.38	0.26	0.69
I04(reversed)	47.46	38.43	6.20	0.21	0.20	0.72
I05	47.09	37.99	6.16	0.24	0.21	0.71
I06(reversed)	48.01	38.33	6.19	0.14	0.21	0.74
I07	46.50	36.75	6.06	0.51	0.50	0.67
I08	46.59	35.99	6.00	0.57	0.49	0.66
I09	45.75	38.90	6.24	0.51	0.50	0.68
I10	46.03	38.28	6.19	0.47	0.49	0.68

Table 4.12 presents the reliability analysis of the MSO construct. Twelve items (M01–M12) were included to measure the MSO according to the perceptions of the respondents. The average inter-item correlation for this construct is 0.19. The Cronbach alpha coefficient for the MSO construct is 0.74 which could be improved to 0.75 if items (questions) M08, M11 and M12 are removed from the construct. The measuring instrument for MSO used for this study is therefore considered to be reliable.

Table 4.12: Reliability – Market Strategic Orientation (MSO)

Summary for scale: Mean=54.3510 Std.Dv.=10.1890 Valid N:151 (Spreadsheet103 in resultate.stw)
Cronbach alpha: .738008 Standardized alpha: .727738
Average inter-item corr.: .193295

	Mean if (deleted)	Var. if (deleted)	StDv. if (deleted)	Itm-Totl (Correl.)	Squared (Multp. R)	Alpha if (deleted)
M01	49.59	82.14	9.06	0.58	0.64	0.69
M02	49.72	80.28	8.96	0.63	0.72	0.68
M03	50.16	85.38	9.24	0.49	0.56	0.71
M04	49.79	83.79	9.15	0.53	0.37	0.70
M05	48.57	99.08	9.95	0.18	0.10	0.74
M06	49.70	86.94	9.32	0.38	0.28	0.72
M07	49.68	86.72	9.31	0.43	0.32	0.71
M08(reversed)	50.34	93.92	9.69	0.16	0.10	0.75
M09	50.44	85.25	9.23	0.44	0.46	0.71
M10	50.24	85.60	9.25	0.43	0.43	0.71
M11	49.38	100.66	10.03	0.03	0.21	0.75
M12(reversed)	50.26	94.88	9.74	0.15	0.22	0.75

Table 4.13 presents the reliability analysis of the RSO construct. Ten items (R01–R10) were included to measure the RSO according to the perceptions of the respondents. The average inter-item correlation for this construct is 0.20. The Cronbach alpha coefficient for the RSO construct is 0.67. The measuring instrument for RSO used for this study is therefore considered to be reliable.

Table 4.13: Reliability – Relationships Strategic Orientation (RSO)

Summary for scale: Mean=53.5099 Std.Dv.=6.90205 Valid N:151 (Spreadsheet103 in resultate.stw)
Cronbach alpha: .667213 Standardized alpha: .705745
Average inter-item corr.: .200657

	Mean if (deleted)	Var. if (deleted)	StDv. if (deleted)	Itm-Totl (Correl.)	Squared (Multp. R)	Alpha if (deleted)
R01	47.36	43.20	6.57	0.31	0.19	0.65
R02	47.50	42.78	6.54	0.31	0.22	0.65
R03	48.86	39.58	6.29	0.24	0.37	0.66
R04	47.81	39.44	6.28	0.51	0.53	0.62
R05	47.82	39.58	6.29	0.54	0.47	0.62
R06	48.50	39.26	6.27	0.36	0.35	0.64
R07(reversed)	48.62	39.07	6.25	0.24	0.21	0.67
R08(reversed)	48.81	38.12	6.17	0.30	0.30	0.65
R09(reversed)	48.30	39.15	6.26	0.30	0.23	0.65
R10(reversed)	48.00	37.31	6.11	0.40	0.30	0.63

Table 4.14 lists a summary of the constructs, the number of items that define the respective constructs, the means and standard deviations for the respective scales, Cronbach alphas, standardised alphas, the average inter-item correlations and the decisions whether the reliabilities are acceptable or not.

Table 4.14: Reliabilities summary of STEP, CDS, EDS, KET, SET, MSO and RSO

Construct	Number of items defining the construct	Mean	Standard deviation	Cronbach alpha	Standardised alpha	Average inter-item correlation	Reliability
STEP	8	28.99	5.27	0.84	0.83	0.41	Excellent
CDS	10	56.00	7.34	0.78	0.82	0.32	Good
EDS	15	63.69	10.86	0.70	0.69	0.14	Acceptable
KET	10	45.64	7.03	0.64	0.65	0.19	Moderate
SET	10	52.00	6.68	0.71	0.76	0.25	Acceptable
MSO	12	54.35	10.19	0.74	0.73	0.19	Acceptable
RSO	10	53.51	6.90	0.67	0.71	0.20	Moderate

Despite the fact that the KET and RSO constructs have Cronbach alpha coefficients less than 0.70, these coefficients are higher than the minimum requirement Cronbach alpha of 0.60 to be retained

in the instrument. Therefore all the constructs have acceptable reliability coefficients to be retained in the measurement instrument. The developed measurement instrument could therefore be regarded as a reliable measurement instrument to measure small tourism accommodation enterprise performance, entrepreneur types, decision styles and strategic orientations.

Content validity for this study was achieved when the panel of experts agreed that the final items that were included to measure the respective constructs covered the concepts adequately (the process was described in Chapter 3). Content validity is achieved when a measurement instrument measures what it intends to measure. Zikmund *et al*. (2013: 650) refers to the latter process as the achievement of face validity.

The measurement instrument items that were formulated for this study were based on the literature review. The hypothesised relationships and associations between the respective constructs in this study are likewise based on evidence from the literature review. Any confirmed relationships and associations between the variables in a hypothesised model for this study is considered as sufficient evidence for the existence of criterion and content validity (Pentz, 2011: 163). The results of this study as presented later on in this chapter contain sufficient evidence to support criterion and content validity.

Table 4.15: Convergent validity

Latent variables	AVE	CR	R^2	CA
STEP	.50	.88	.21	.84
CDS	.40	.85	.10	.78
EDS	.12	.12	.28	.70
SET	.34	.82	N/A	.71
KET	.35	.72	N/A	.64
MSO	.30	.80	.33	.74
RSO	.30	.75	.15	.67

Convergent validity is accessed by determining how related the items in the same scale are (Zikmund, 2013: 648). The convergent validity in this study was determined by calculating the inter-item correlations within the respective scales or constructs. According to the evidence in Table 4.15, all the items associated with the respective constructs illustrate acceptable convergent validity except those of EDS.

Table 4.15 presents the average variance extracted (AVE), the composite reliability (CR), the R^2 and the Cronbach alpha (CA) of the latent variables in the *a priori* measurement model of this study. The suggested minimum values for AVE should be >.50; CR >.70 and CA >.60. The AVE

values for the latent variables as listed in Table 4.15 above are therefore not ideal, especially EDSs' .123, which is very low. It was however decided to consider all latent variables with AVE values above .30 for this study providing that the respective CR (>.70) and CA (>.60) values were above the suggested minimum values. The composite reliability for EDS is additionally well below the suggested .70 value. The Cronbach alphas for all the variables are above the suggested minimum .60 value.

Table 4.16: Discriminant Validity

	Original Sample (O)	2.5%	97.5%	Discriminate
cognitive decision-making -> STEP	0.413	0.306	0.6	yes
emotive decision-making -> STEP	0.403	0.379	0.575	yes
emotive decision-making -> cognitive decision-making	0.595	0.561	0.755	yes
innovative/creative -> STEP	0.247	0.229	0.446	yes
innovative/creative -> cognitive decision-making	0.335	0.29	0.553	yes
innovative/creative -> emotive decision-making	0.523	0.496	0.683	yes
market orientated -> STEP	0.359	0.312	0.554	yes
market orientated -> cognitive decision-making	0.401	0.355	0.619	yes
market orientated -> emotive decision-making	0.443	0.459	0.647	yes
market orientated -> innovative/creative	0.421	0.402	0.622	yes
opportunity alert -> STEP	0.277	0.224	0.458	yes
opportunity alert -> cognitive decision-making	0.339	0.282	0.558	yes
opportunity alert -> emotive decision-making	0.53	0.48	0.679	yes
opportunity alert -> innovative/creative	0.659	0.565	0.799	yes
opportunity alert -> market orientated	0.636	0.558	0.796	yes
relationship orientated -> STEP	0.334	0.286	0.529	yes
relationship orientated -> cognitive decision-making	0.313	0.279	0.585	yes
relationship orientated -> emotive decision-making	0.417	0.422	0.634	yes
relationship orientated -> innovative/creative	0.456	0.411	0.66	yes
relationship orientated -> market orientated	0.599	0.533	0.765	yes
relationship orientated -> opportunity alert	0.394	0.342	0.587	yes

Discriminant validity is where the items of a construct do not correlate highly with items of different constructs (Zikmund, 2013: 649). Table 4.16 summarises evidence of discriminant validity of the different pathways of the PLS-SEM measurement model of this study.

Based on the evidence as presented in this subsection, acceptable levels of reliability and validity were obtained in order to proceed with the data analyses.

4.3.3. Non-response bias

In order to assess non-response bias, ANOVA's Least Square Means (LS Means) were applied to determine whether there were significant differences between the means of the first quartile of responses versus those of the last quartile of responses in the data set of this study. The null hypothesis tested for this analysis was as follows:

H_0^2: The STEP, CDS, EDS, KET, SET, MSO and RSO means of the first and the last quartiles of responses are equal.

Table 4.17 presents a summary of the ANOVA results in testing for the equality of STEP, CDS, EDS, KET, SET, MSO and RSO means between the first and the last quartiles response categories.

Table 4.17: Analysing the equality of the means of the first and the last quartile's responses of STEP, CDS, EDS, KET, SET, MSO and RSO

Dependent variable	LS Means Current Effect				Levene's Test		Mann-Whitney U Test
	F(1,80)	P	Means first quartile (40)	Means last quartile (42)	F(1,80)	P	P
STEP	0.87	0.35	3.70	3.56	0.15	0.69	0.59
CDS	0.62	0.83	5.50	5.54	0.11	0.74	0.84
EDS	0.62	0.43	4.10	4.23	0.72	0.40	0.26
KET	0.21	0.65	4.54	4.62	2.75	0.10	0.75
SET	0.03	0.87	5.20	5.22	3.29	0.07	0.89
MSO	0.05	0.82	4.50	4.54	0.37	0.54	0.88
RSO	0.05	0.83	5.37	5.34	0.08	0.78	0.85

STEP, CDS, EDS, KET, SET, MSO and RSO were the respective dependent variables. The respective first quartile of respondents and the last quartile of response categories were the independent variables in these analyses. The respective F-stat values with degrees of freedom in brackets were listed in the second column. The probability values (*p*-values) were listed in the third column. The columns containing the STEP, CDS, EDS, KET, SET, MSO and RSO means according to the first quartile and the last quartile categories of responses complete the current effect summary. The number of respondents that were considered in each category appears in brackets in the respective means columns. The F-stat with degrees of freedom and the *p*-values are provided for Levene's Test of Homogeneity of Variance. The *p*-values for the non-parametric Mann-Whitney's U Test were also listed for confirmatory purposes.

All the *p*-values of the LS Means current effect analyses for STEP, CDS, EDS, KET, SET, MSO and RSO in Table 4.17 were greater than 0.05 ($p > 0.05$). The null hypothesis for each of the listed analyses was therefore accepted. This means that there were no statistically significant differences between the STEP, CDS, EDS, KET, SET, MSO and RSO means according to the first quartile

respondents and the last quartile response categories. It could therefore be concluded at a 95% certainty level that the responses from the first quartile responses and the last quartile responses of the data set of this study contained no evidence of non-response bias.

4.3.4. Analysis of the relationships between construct variables and venture age, owner-manager age, owner-manager experience and number of employees

The relationships between the main constructs in the conceptualised model of this study and the numerical demographic variables of the respondents were investigated by means of Pearson's Product Moment correlations. Table 4.18 displays a summary of the statistically significant correlation coefficients as well as the associated *p*-values within each block. The results of all the correlations between main constructs and numerical demographic variables are displayed in Appendix G18.

Table 4.18: Pearson product moment correlations for demographic variables AV, AO, EX, NE and STEP, SET, RSO, MSO, CDS (N = 151)

Variable	AV	AO	EX	NE
STEP	-	-	-	0.17 0.04
SET	0.24 <0.01	-	0.17 0.03	-
RSO	0.19 0.02	-	0.20 0.01	-
MSO	-	-0.17 0.04	-	-
CDS	-	-	-	0.20 0.01

AV = age of the venture; AO = age of the owner-manager; EX = experience of the owner-manager; NE = number of employees; MSO = market strategic orientation; RSO = relationships strategic orientation; STEP = small tourism enterprise performance; CDS = cognitive decision style; KET = Kirznerian entrepreneur type; SET = Schumpeterian entrepreneur type.

A relationship with a correlation coefficient of less than (+-) .20 indicates a very weak relationship; a relationship with a correlation coefficient of between (+-) .21 and (+-) .40 indicates a weak relationship; a correlation coefficient between (+-) .41 and (+-) .60 indicates a moderate relationship; a correlation coefficient between (+-) .61 and (+-) .80 indicates a strong relationship and a correlation coefficient between (+-) .81 and (+-) .99 indicates a very strong relationship.

Pearson's Moment Correlations indicated a significant weak positive correlation (0.17) between small tourism enterprise performance and the number of employees of the enterprise. Schumpeterian entrepreneur type correlated significantly positive with the age of the venture (0.24) as well as with the years' experience (0.17) of the owner-manager. Relationships strategic

orientation correlated significantly positive with the age of the venture (0.19) as well as with the owner-manager's experience (0.20). Cognitive decision style correlated significantly positive (0.20) with the number of employees of the enterprise. The age of the owner-manager correlated significantly negative (-0.17) with the market strategic orientation. These correlations are all very weak to weak.

4.3.5. Analysis of the associations between owner-manager's gender, language, motivation to be in business, location and qualification

The categorical variables "highest educational qualification" (D05), "gender" (D06), "home language" (D07), "motivation to be in business" (D08) and "region where business is located" (D09) were assessed to determine whether there were statistically significant associations between each other. Chi-square analysis was employed to test for statistically significant associations between the categorical variables mentioned above (see Tables G8-G17 in Appendix G). The null hypothesis (H_0^3) as applied to each of the assessments reveals that there is no association between the two sets of variables. The null hypothesis was rejected when $p < .05$, in which case the alternative hypothesis was accepted. The null hypothesis was accepted where $p > .05$, in which case the decision was that there is no association between the variables. The alternative hypothesis states that there is an association between the two sets of variables. The results of the Chi-square hypotheses testing and the outcomes are listed below. The test statistic, X^2, and the *p*-value are reported.

Table 4.19: The association between motivation to be in business and language

	English	Afrikaans	Indigenous African	Other	Total
Survival	22 (19.93)*	11 (12.74)	0 (0.46)	2 (1.85)	35
Lifestyle	46 (38.15)	17 (24.40)	0 (0.89)	4 (3.55)	67
Growth	18 (27.91)	27 (17.85)	2 (0.65)	2 (2.60)	49
Total	86	55	2	8	151
				X^2-stat = 16.89	***p = 0.0097***

*Observed (Expected) frequencies of motivation to be in business and home language.

Table 4.19 presents the observed frequencies with expected frequencies in brackets for each language category against the three different categories of motivation to have a tourism accommodation business. The *p*-value of 0.0097 specifies that the null hypothesis should be rejected in favour of the alternative hypothesis, meaning that there are statistically significant associations between the variables. The analysis on the data set of this study indicates that accommodation enterprise owner-managers who speak English as home language are in business

for mostly survival and lifestyle reasons, whereas Afrikaans speaking owner-managers are in business mostly for growth aspirations.

Table 4.20: The association between motivation to be in business and region

	Survival	Lifestyle	Growth	Total
Gauteng	3 (2.55)*	2 (4.88)	6 (3.57)	11
Kwazulu-Natal	6 (4.87)	12 (9.32)	3 (6.81)	21
Western Cape	15 (16.69)	38 (31.95)	19 (23.36)	72
Eastern Cape	7 (4.87)	7 (9.32)	7 (6.81)	21
Northern Cape	1 (2.09)	1 (3.99)	7 (2.920	9
Free State	0 (0.93)	3 (1.77)	1 (1.30)	4
North West	0 (0.70)	0 (1.33)	3 (0.97)	3
Limpopo	2 (0.93)	2 (1.77)	0 (1.30)	4
Mpumalanga	1 (1.39)	2 (0.66)	3 (1.95)	6
Total	35	67	49	151
			X^2-stat = 30.26	***p* = 0.0167**

*Observed (Expected) frequencies of motivation to be in business and region.

Table 4.20 presents the observed frequencies with expected frequencies in brackets of each motivation to be in the tourism business category against the nine different regions where the tourism businesses were located. The *p*-value of 0.0167 specifies that the null hypothesis should be rejected in favour of the alternative hypothesis meaning that there were statistically significant associations between the variables. The analysis on the data set of this study indicated that respondents from Gauteng, Northern Cape, North West and Mpumalanga mostly preferred growth as a reason for being in the tourism accommodation industry whereas respondents from KwaZulu-Natal, Western Cape and the Free State preferred lifestyle as the most important reason for being in business.

Table 4.21 presents the observed frequencies with expected frequencies in brackets of each language category against the nine different regions where the tourism businesses are located. The *p*-value of 0.00 specifies that the null hypothesis should be rejected in favour of the alternative hypothesis, meaning that there are statistically significant associations between the variables. The analysis on the data set of this study indicated that respondents from Gauteng and KwaZulu-Natal Provinces predominantly used English as home language whereas respondents located in the North West and Northern Cape Provinces predominantly indicated Afrikaans as home language.

Table 4.21: The association between region and language

	English	Afrikaans	Indigenous African	Other	Total
Gauteng	7 (6.26)*	2 (4.01)	2 (0.15)	0 (0.58)	11
Kwazulu-Natal	18 (11.96)	2 (7.65)	0 (0.28)	1 (1.11)	21
Western Cape	38 (41.01)	27 (26.23)	0 (0.95)	7 (3.81)	72
Eastern Cape	15 (11.96)	6 (7.65)	0 (0.28)	0 (1.11)	21
Northern Cape	0 (5.13)	9 (3.28)	0 (3.28)	0 (0.48)	9
Free State	3 (2.28)	1 (1.46)	0 (1.46)	0 (0.21)	4
North West	0 (1.71)	3 (1.09)	0 (1.09)	0 (0.16)	3
Limpopo	2 (2.28)	2 (1.46)	0 (1.46)	0 (0.21)	4
Mpumalanga	3 (3.42)	3 (2.19)	0 (2.19)	0 (0.32)	6
Total	86	55	2	8	151
				X^2-stat = 62.00	***p* = 0.00**

*Observed (Expected) frequencies of home language and region.

Table 4.22 presents the results of the insignificant associations between an owner-manager's gender, language, motivation to be in business, location and qualification based on $p>0.05$. In these cases, the null hypotheses were accepted at a 5% level indicating no significant associations between the listed sets of categorical variables. The detailed results of all the above mentioned Chi-square analyses are available in Appendices G8–G17.

Table 4.22: Analyses of the associations between owner-manager's gender, language, motivation to be in business, location and qualification

Variable 1	Variable 2	X^2	P
Qualification	Gender	3.58	<0.17
Qualification	Language	4.22	<0.65
Qualification	Motivation	5.85	0.21
Qualification	Location	8.17	>0.94
Gender	Location	3.15	>0.92
Gender	Language	7.32	>0.06
Gender	Motivation	0.63	>0.73

4.3.6. Analysis of the associations between the STEP, CDS, EDS, KET, SET, MSO, and RSO constructs with demographic variables

The analysis of variance (ANOVA) technique was applied to test hypotheses for the association between the STEP, CDS, EDS, KET, SET, MSO, and RSO constructs with demographic and decision context variables. The null hypothesis that applies to the ANOVA test is that all the means

are equal ($\mu_1 = \mu_2 = \ldots \mu_k$) and the alternative hypothesis states that at least one of the means is different ($\mu_1 \neq \mu_2 \neq \ldots \mu_k$). The categorical variable is always the independent variable consisting of different groups or levels. The hypotheses were assessed considering the variation in the means of the respective independent variables (groups) on the dependent variable. The independent variables that were assessed by the ANOVA technique in this study are highest educational qualifications (D05), gender (D06), home language (D07), motivation to be in business (D08) and location (D09). The dependent variables assessed by ANOVA in this study are cognitive decision style (CDS), emotive decision style (EDS), opportunity alert entrepreneur type (KET), innovative/creative entrepreneur type (SET), market-oriented strategic orientation (MSO), relationships-oriented strategic orientation (RSO), small tourism enterprise performance (STEP) and the decision context variables.

The assumptions under consideration for ANOVA include the following (Field, 2012):

- Assumption of independence: respondents should be independent without influencing other respondent's responses in the survey.
- Assumption of normality: skewness values should be within the ±3.29 limitations for normality and/or a normal probability plot of raw residuals would assist in identifying outliers for elimination purposes.
- Assumption of homogeneity of variance: Levene's Test of Homogeneity of Variance could be applied to test this assumption. A *p*-value less than .05 would indicate that the null hypothesis should be rejected in favour of the alternative hypothesis.

In cases where the assumption of homogeneity of variance cannot be met in a data set, the *post hoc* procedures of Least Significant Difference (LSD) and/or Games-Howell need to be applied as confirmatory assessments depending on certain conditions. Where the difference between the means of two groups is more than Fisher's LSD, the null hypothesis should be rejected. Games-Howell is applied where variances are unequal at $p < .01$ and for smaller sample sizes to control Type I error (Field, 2012).

When significant differences are detected in means it is furthermore appropriate to determine the effect size (Cohen's *d*) in order to calculate the degree of difference between the means (expressed in standard deviation units). The effect size is usually calculated by determining the difference between two pairwise means and then dividing this difference by an estimate of the standard deviation of the means (Field, 2012: 3).

In order to assess the effect of respondents' qualifications on STEP, CDS, EDS, KET, SET, MSO and RSO, ANOVA's Least Square Means (LS Means) analyses were applied. The null hypothesis tested for this analysis was as follows:

H_0^{4A}: There are no differences in the means of STEP, CDS, EDS, KET, SET, MSO and RSO respectively within the respondent's qualification categories.

Table 4.23: Analysing the effect of respondents' qualifications on STEP, CDS, EDS, KET, SET, MSO and RSO as respective dependent variables

Dependent variable	LS Means Current Effect					Levene's Test		Kruskal-Wallis Test
	F(2,148)	P	Means Secondary School (36)	Means 3 Year Diploma or Degree (69)	Means Post Graduate (46)	F(2,148)	P	P
STEP	0.89	0.41	3.61	3.69	3.53	0.59	0.56	0.49
CDS	1.23	0.30	5.45	5.69	5.59	0.49	0.61	0.28
EDS	0.29	0.75	4.21	4.29	4.20	0.38	0.68	0.60
KET	0.23	0.79	4.57	4.53	4.62	0.56	0.57	0.65
SET	1.22	0.30	5.18	5.29	5.09	0.21	0.81	0.52
MSO	1.27	0.28	4.39	4.65	4.60	4.49	0.01	0.43
RSO	1.04	0.36	5.27	5.44	5.28	0.07	0.93	0.31

Table 4.23 presents a summary of the ANOVA results in testing for the equality of STEP, CDS, EDS, KET, SET, MSO and RSO means between the respondents' qualification categories. STEP, CDS, EDS, KET, SET, MSO and RSO were the respective dependent variables. The respective qualification categories were the independent variables in these analyses. The respective F-stat values with degrees of freedom in brackets are listed in the second column. The probability values (*p*-values) are listed in the third column. The columns containing the STEP, CDS, EDS, KET, SET, MSO and RSO means according to the qualification categories of respondents complete the current effect summary. The number of respondents that were considered in each category appears in brackets in the respective means columns. The F-stat with degrees of freedom and the *p*-values were provided for Levene's Test of Homogeneity of Variance. The *p*-values for the non-parametric Kruskal-Wallis Test were also listed for confirmatory purposes.

All the *p*-values of the LS Means current effect analyses for STEP, CDS, EDS, KET, SET, MSO and RSO in Table 4.23 were greater than 0.05 ($p > 0.05$). The null hypothesis for each of the listed analyses was therefore accepted. This means that there were no statistically significant differences between the STEP, CDS, EDS, KET, SET, MSO and RSO means according to the qualification categories of the respondents. It could therefore be concluded at a 95% certainty level that the

qualification level of respondents had no significant influence on the respondents' responses to the STEP, CDS, EDS, KET, SET, MSO and RSO construct items.

In order to assess the effect of respondents' gender on STEP, CDS, EDS, KET, SET, MSO and RSO, ANOVA's Least Square Means (LS Means) analyses were applied. The null hypothesis tested for this analysis was as follows:

H_0^{4B}: There are no differences in the means of STEP, CDS, EDS, KET, SET, MSO and RSO respectively within the respondent's gender categories.

Table 4.24: Analysing the effect of respondents' gender on STEP, CDS, EDS, KET, SET, MSO and RSO as respective dependent variables

Dependent variable	LS Means Current Effect				Levene's Test		Mann-Whitney U Test
	F(1,149)	P	Means Female (71)	Means Male (80)	F(1,149)	P	P
STEP	0.07	0.79	3.61	3.64	3.80	0.05	0.47
CDS	0.67	0.41	5.55	5.65	0.92	0.34	0.97
EDS	2.91	0.09	4.14	4.34	2.12	0.15	0.09
KET	0.53	0.47	4.61	4.53	0.13	0.71	0.52
SET	0.01	0.94	5.20	5.20	0.00	0.96	0.98
MSO	0.4	0.71	4.56	4.51	1.90	0.17	0.75
RSO	0.90	0.34	5.29	5.40	0.50	0.48	0.30

Table 4.24 presents a summary of the ANOVA results in testing for the equality of STEP, CDS, EDS, KET, SET, MSO and RSO means between respondents' gender categories. STEP, CDS, EDS, KET, SET, MSO and RSO were the respective dependent variables. The respective gender categories were the independent variables in these analyses. The *p*-values for the non-parametric Mann-Whitney U Test were also listed for confirmatory purposes.

All the *p*-values of the LS Means current effect analyses for STEP, CDS, EDS, KET, SET, MSO and RSO in Table 4.24 were greater than 0.05 ($p > 0.05$). The null hypothesis for each of the listed analyses was therefore accepted. This means that there were no statistically significant differences between the STEP, CDS, EDS, KET, SET, MSO and RSO means according to the gender categories of the respondents. It could therefore be concluded at a 95% certainty level that the gender of respondents had no significant influence on respondents' responses to the STEP, CDS, EDS, KET, SET, MSO and RSO construct items.

In order to assess the effect of respondents' home language on STEP, CDS, EDS, KET, SET, MSO and RSO, ANOVA's Least Square Means (LS Means) analyses were applied. The null hypothesis tested for this analysis was as follows:

H_0^{4C}: There are no differences in the means of STEP, CDS, EDS, KET, SET, MSO and RSO respectively within respondents' home language categories.

Table 4.25: Analysing the effect of respondents' home language on STEP, CDS, EDS, KET, SET, MSO and RSO as respective dependent variables

Dependent variable	LS Means Current Effect					Levene's Test		Kruskal-Wallis Test
	F(2,146)	P	Means English (86)	Means Afrikaans (55)	Means Other (8)	F(2,146)	P	P
STEP	0.30	0.74	3.61	3.61	3.80	0.18	0.38	0.86
CDS	1.85	0.16	5.61	5.63	5.11	2.91	0.06	0.32
EDS	2.46	0.09	4.19	4.40	3.90	0.99	0.37	0.10
KET	0.74	0.48	4.57	4.57	4.26	0.64	0.53	0.37
SET	0.10	0.91	5.18	5.22	5.25	0.16	0.86	0.97
MSO	0.85	0.43	4.52	4.54	4.14	0.34	0.72	0.48
RSO	0.80	0.45	5.42	5.27	5.38	1.59	0.21	0.52

Table 4.25 presents a summary of the ANOVA results in testing for the equality of STEP, CDS, EDS, KET, SET, MSO and RSO means between respondents' home language categories. STEP, CDS, EDS, KET, SET, MSO and RSO were the respective dependent variables. The respective home language categories were the independent variables in these analyses. The *p*-values for the non-parametric Kruskal-Wallis Test were also listed for confirmatory purposes.

All the *p*-values of the LS Means current effect analyses for STEP, CDS, EDS, KET, SET, MSO and RSO in Table 4.25 were greater than 0.05 ($p > 0.05$). The null hypothesis for each of the listed analyses was therefore accepted. This means that there were no statistically significant differences between the STEP, CDS, EDS, KET, SET, MSO and RSO means according to the home language categories of the respondents. It could therefore be concluded at a 95% certainty level that the home language of respondents had no significant influence on respondents' responses to the STEP, CDS, EDS, KET, SET, MSO and RSO construct items.

In order to assess the effect of respondents' motivation to be in a tourism accommodation business on STEP, CDS, EDS, KET, SET, MSO and RSO, ANOVA's Least Square Means (LS Means) analyses were applied. The null hypothesis tested for this analysis was as follows:

H_0^{4D}: There are no differences in the means of STEP, CDS, EDS, KET, SET, MSO and RSO respectively within respondents' motivation to be in tourism accommodation business categories.

Table 4.26: Analysing the effect of respondents' motivation to be in business on STEP, CDS, EDS, KET, SET, MSO and RSO as respective dependent variables

Dependent variable	LS Means Current Effect					Levene's Test		Kruskal-Wallis Test
	F(2,148)	P	Means Survive (35)	Means Lifestyle (67)	Means Growth (49)	F(2,148)	P	P
STEP	2.76	<0.07	3.41	3.65	3.74	0.20	0.82	0.02
CDS	1.46	0.23	5.74	5.49	5.65	0.05	0.96	0.20
EDS	2.49	0.09	4.35	4.33	4.06	2.72	0.07	0.12
KET	1.66	0.19	4.55	4.48	4.71	0.31	0.73	0.16
SET	0.05	0.95	5.23	5.20	5.18	1.00	0.37	0.93
MSO	4.42	<0.01	4.63	4.31	4.76	0.70	0.50	<0.01
RSO	0.55	0.58	5.40	5.29	5.40	0.98	0.38	0.45

Table 4.26 presents a summary of the ANOVA results in testing for the equality of STEP, CDS, EDS, KET, SET, MSO and RSO means between respondents' motivations to be in business categories. STEP, CDS, EDS, KET, SET, MSO and RSO were the respective dependent variables. The respective motivation to be in business categories were the independent variables in these analyses. The *p*-values for the non-parametric Kruskal-Wallis Test were also listed for confirmatory purposes.

All the *p*-values of the LS Means current effect analyses for CDS, EDS, KET, SET and RSO in Table 4.26 were greater than 0.05 ($p > 0.05$) except for STEP and MSO. The null hypothesis for each of these analyses was therefore accepted. This implies that there were no statistically significant differences between the CDS, EDS, KET, SET and RSO means according to the motivation to be in business categories of the respondents. It could therefore be concluded at a 95% certainty level that CDS, EDS, KET, SET and RSO were not influenced by the survival, lifestyle or growth orientations of the respondents.

The Kruskal-Wallis Test (p=0.02) (Figure 4.3) indicated that significant differences exist between some categories of the three motivations to be in business independent variables, but the current effect F(2,148)=2.755, p<0.07 result indicated the contrary for STEP as dependent variable. The LSD Post Hoc Test was applied to the data set in order to confirm whether there were significant differences between the STEP means of the Survival, Lifestyle and Growth categories. Table 4.27 presents the results of the LSD Post Hoc Test. The results indicated that there were significant

differences between STEP means in the Survive (3.4071) and Growth (3.7372) categories at a *p*=0.023451 level.

Table 4.27: LSD Post Hoc test for STEP and motivation to be in business

LSD test; variable STEP
Probabilities for Post Hoc Tests
Error: Between MS = .42434, df = 148.00

	motivation for business	{1} (3.4071)	{2} (3.6549)	{3} (3.7372)
1	Survive		0.070278	0.023451
2	Lifestyle	0.070278		0.502065
3	Growth	0.023451	0.502065	

The results implied that respondents who were in a tourism accommodation business with growth aspirations scored significantly higher on small tourism enterprise performance than those respondents with a survival orientation. This situation is also displayed in Figure 4.3 where the survivalist orientation with a lower STEP mean (3.4071) was contrasted against the higher STEP mean (3.7372) of the growth oriented respondent.

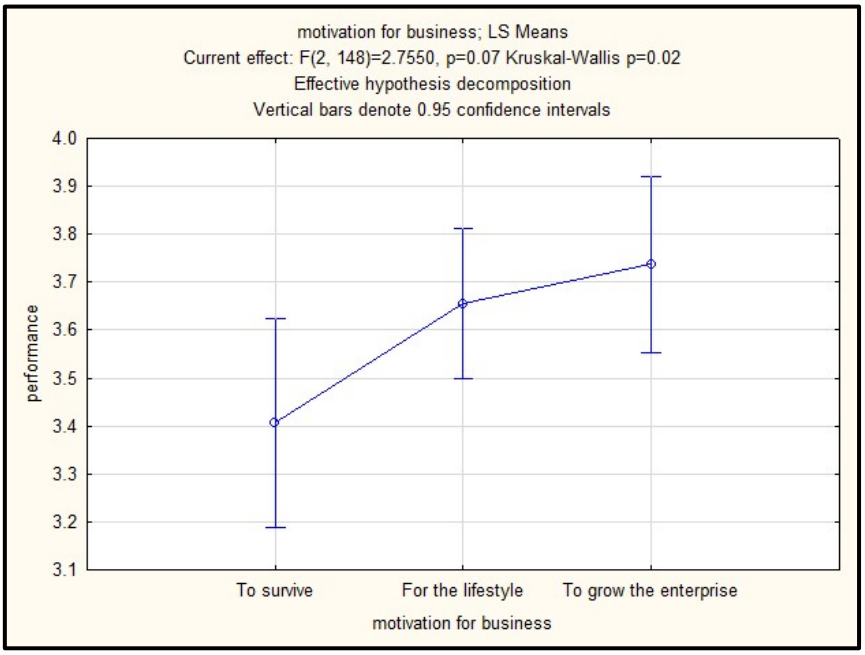


Figure 4.3: Illustrating the effect of motivation to be in business on STEP

The F-stat of 4.42 of MSO as dependent variable in Table 4.26 was significant at p<0.01 level and this result was supported by a Kruskal-Wallis Test at a *p*<0.01 level (Figure 4.4). These results indicated that significant differences exist between some categories of the three motivations to be in business independent variables. The LSD Post Hoc Test was applied to the data set in order to

confirm whether there were significant differences between the MSO means of the Survival, Lifestyle and Growth categories. Table 4.28 presents the results of the LSD Post Hoc Test. The results indicated that there were significant differences between MSO means in the Lifestyle (4.3109) and Growth (4.7585) categories at a *p*=0.004743 level.

Table 4.28: LSD Post Hoc test for MSO and motivation to be in business

LSD test; variable MSO
Probabilities for Post Hoc Tests
Error: Between MS = .68949, df = 148.00

	motivation for business	{1} (4.6262)	{2} (4.3109)	{3} (4.7585)
1	Survive		0.070725	0.472662
2	Lifestyle	0.070725		0.004743
3	Growth	0.472662	0.004743	

The results implied that respondents who were in a tourism accommodation business with growth aspirations scored significantly higher on market strategic orientation than those respondents with a lifestyle orientation. This situation is also displayed in Figure 4.4 where the lifestyle orientation with a lower MSO mean (4.3109) was contrasted against the higher MSO mean (4.7585) of the growth oriented respondent.

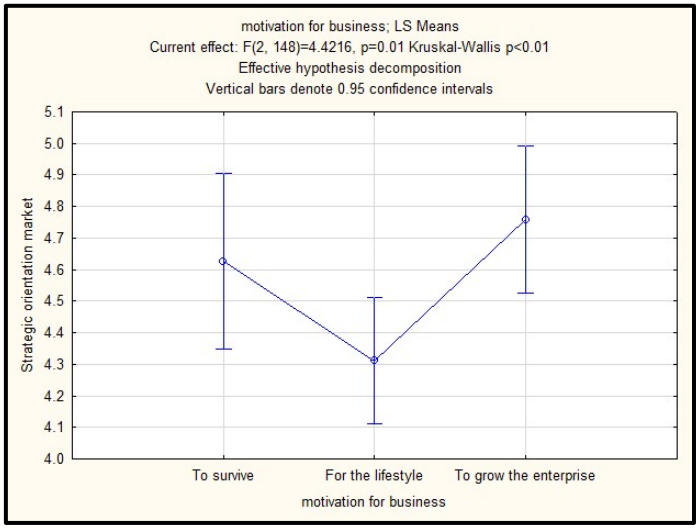


Figure 4.4: Illustrating the effect of motivation to be in business on MSO

In order to assess the effect of respondents' location (region) on STEP, CDS, EDS, KET, SET, MSO and RSO, ANOVA's Least Square Means (LS Means) analyses were applied. The null hypothesis tested for this analysis was as follows:

H_0^{4E}: There are no differences in the means of STEP, CDS, EDS, KET, SET, MSO and RSO respectively within the respondent's location categories.

Table 4.29: Analysing the effect of respondents' location (region) on STEP, CDS, EDS, KET, SET, MSO and RSO as respective dependent variables

DV	LS Means Current Effect											Levene's Test	
	F(8,142)	P	GT (11)	KN (21)	WC (72)	EC (21)	NC (9)	FS (4)	NW (3)	LP (4)	MP (6)	F(8,142)	P
STEP	1.40	0.20	3.58	3.42	3.79	3.59	3.51	3.31	3.54	3.28	3.23	1.97	>0.05
CDS	1.11	0.36	5.84	5.72	5.52	5.83	5.33	5.43	5.90	5.05	5.60	1.61	0.13
EDS	0.92	0.50	4.12	4.11	4.25	4.30	4.68	4.07	3.87	4.67	4.03	1.29	0.26
KET	0.60	0.78	4.84	4.64	4.55	4.58	4.57	4.15	4.50	4.15	4.47	1.10	0.37
SET	0.84	0.57	5.19	5.22	5.19	5.25	5.20	4.75	5.67	5.65	4.87	1.03	0.42
MSO	1.62	0.12	4.83	4.53	4.44	4.85	4.94	4.25	4.06	3.75	4.26	0.49	0.86
RSO	1.64	0.12	5.34	5.44	5.36	5.39	5.77	4.40	5.07	5.13	5.15	0.79	0.61

Table 4.29 presents a summary of the ANOVA results in testing for the equality of STEP, CDS, EDS, KET, SET, MSO and RSO means between respondents' location categories. STEP, CDS, EDS, KET, SET, MSO and RSO were the respective dependent variables. The respective location categories were the independent variables in these analyses.

All the *p*-values of the LS Means current effect analyses for STEP, CDS, EDS, KET, SET, MSO and RSO in Table 4.29 were greater than 0.05 ($p > 0.05$). The null hypothesis for each of the listed analyses was therefore accepted. This means that there were no statistically significant differences between the STEP, CDS, EDS, KET, SET, MSO and RSO means according to the location categories of the respondents. It could therefore be concluded at a 95% certainty level that the location of respondents had no significant influence on respondents' responses to the STEP, CDS, EDS, KET, SET, MSO and RSO construct items.

4.3.7. Analysis of decision context relationships

Table 4.30: Analysis of ranked Decision Context variables

Variable (n = 151)	Median	Mode	Frequency of Mode
Quality of services/products	2	1	51
Speed of response (time)	4	3	38
Ethical conduct	4	4	50
Profit maximisation	5	5	51
Customer satisfaction	2	1	46
Impact on the natural environment	6	6	77

The results in Table 4.30 indicate that respondents selected quality as the most important decision context priority 51 times. Customer satisfaction was selected as the most important priority in decision making 46 times. Speed of response was selected as third most important decision context priority 38 times. The fourth most important decision context priority was ethical conduct which was selected 50 times. Profit maximisation as fifth most important decision context priority was selected 51 times in that position. The least important decision context priority was the impact on the environment which was selected 77 times in that position.

Quality and customer satisfaction were therefore the two highest rated decision context priorities. The impact on the natural environment was the least favoured decision context priority for small tourism accommodation enterprise owner-managers who participated in this study.

Table 4.31: Frequencies of Decision Context variables

Decision Context variables:	**Quality**		**Speed of response**		**Ethical conduct**		**Profit maximisation**		**Customer satisfaction**		**Impact on natural environment**	
Category ↓ **No.** →	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
Most importance	51	33.77	13	8.61	22	14.57	10	6.62	46	30.46	9	5.96
2nd importance	48	31.79	20	13.25	14	9.27	13	8.61	43	28.48	13	8.61
3rd importance	24	15.89	38	25.17	38	25.17	16	10.60	27	17.88	8	5.30
4th importance	11	7.28	32	21.19	50	33.11	32	21.19	13	8.61	13	8.61
5th importance	12	7.95	28	18.54	16	10.60	51	33.77	13	8.61	31	20.53
Least importance	5	3.31	20	13.25	11	7.28	29	19.21	9	5.96	77	50.99
Totals:	**151**	**100**	**151**	**100**	**151**	**100**	**151**	**100**	**151**	**100**	**151**	**100**

The decision context variables as ranked by the respondents as the most important priority (with the number of respondents that chose the option in brackets) were as follows: quality (51); customer service (46); ethical conduct (22); speed of response (13); profit maximisation (10), and impact on the natural environment (9). Table 4.31 presents the results of the importance rankings by respondents on the six decision context variables. The majority of respondents indicated that quality was the most important decision context priority. A customer service orientation was the second most important decision context priority followed in sequence of importance by ethical

conduct, speed of response, profit maximisation and impact on the natural environment prioritisations.

In order to assess the effect of respondents' gender on a quality decision context prioritisation, ANOVA's Least Square Means (LS Means) analyses were applied. The null hypothesis tested for this analysis was as follows:

H_0^{5A}: There are no differences in the ranked means of Quality as a decision context priority within the respondent's gender categories.

Table 4.32 presents a summary of the ANOVA results in testing for the equality of the ranked Quality means within respondents' gender categories. Quality was the dependent variable. The respective gender categories were the independent variables in this analysis.

Table 4.32: The effect of gender on a quality prioritisation

LS Means: Gender
Current effect: F(1, 149)=8.3275, p=.00449
Effective hypothesis decomposition

	Gender	Quality of products/services rank (Mean)	Quality of products/services rank (Std.Err.)	Quality of products/services rank (-95.00%)	Quality of products/services rank (+95.00%)	N
1	Female	2.676056	0.161064	2.357791	2.994321	71
2	Male	2.037500	0.151734	1.737672	2.337328	80

The F-stat of 8.3275 of quality as dependent variable in Table 4.32 was significant at p<0.00449 level and this result was supported by the non-parametric Mann-Whitney U Test at a *p*=0.02 level (Figure 4.5). Since the *p*-value (*p*<0.00449) was less than 0.01 in the LS Means current effect result as reflected in Table 4.32 and the Levene's Test of Homogeneity of Variance (Table 4.34) was violated (*p*=0.000204), a Games Howell Post Hoc Test (Table 4.33) was done in order to confirm the current effect result.

Table 4.33: Games Howell Post Hoc Test – quality and gender association

Games Howell post hoc test

	t	df	p
1:2	2.82606525	122.9127389	0.005501813

The Games Howell Post Hoc Test confirmed the current effect result with a *p*-value less than 0.05 (*p*=0.0055). This result indicated that significant differences exist between the gender categories as independent variables.

Table 4.34: Levene's Test – gender and quality

Levene's Test for Homogeneity of Variances Effect: gender Degrees of freedom for all F's: 1, 149				
	MS (Effect)	MS (Error)	F	p
Quality of products/services rank	8.725122	0.601479	14.50611	0.000204

The results indicated that there were significant differences between the ranked Quality means of male (2.0375) and female (2.6761) respondents. Since the ranked means of males were closer to one it implied that male respondents in this study prioritised Quality as decision context more than the female respondents. (One indicated the most important decision context priority ranking).

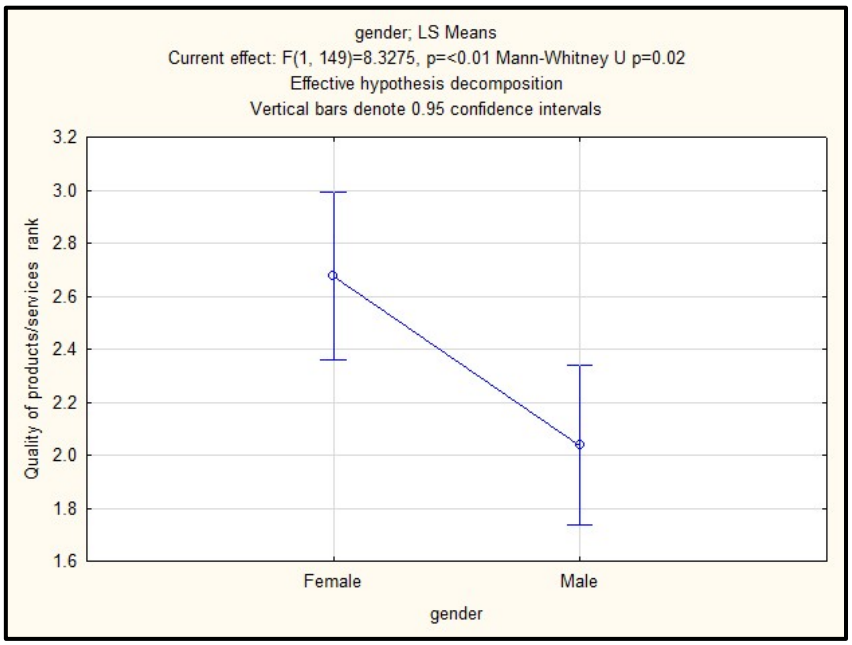


Figure 4.5: Illustrating the effect of gender on quality prioritisation

In order to assess the effect of respondents' motivation to be in business on the impact on the natural environment as a decision context prioritisation, ANOVA's Least Square Means (LS Means) analyses were applied. The null hypothesis tested for this analysis was as follows:

H_0^{5B}: There are no differences in the ranked means of impact on the environment as a decision context priority within respondents' motivation to be in business categories.

Table 4.35 presents a summary of the ANOVA results in testing for the equality of the ranked impact on the natural environment means within respondents' motivation to be in business

categories. Impact on the natural environment was the dependent variable. The respective motivation to be in business categories were the independent variables in this analysis.

The F-stat of 5.9959 of impact on the natural environment as dependent variable in Table 4.35 was significant at p<0.00313 level and this result was supported by the non-parametric Kruskal-Wallis Test at a *p*=0.04 level (Figure 4.6). Since the *p*-value (*p*<0.00313) was less than 0.01 in the LS Means current effect result as reflected in Table 4.35 and the Levene's Test of Homogeneity of Variance (Table 4.36) was violated (*p*=0.000) an LSD Post Hoc Test (Table 4.37) and a Games Howell Post Hoc Test (Table 4.38) were done in order to confirm the current effect result.

Table 4.35: The effect of motivation to be in business on the impact on the natural environment prioritisation

LS Means: Motivation
Current effect: F(2, 148)=5.9959, p=.00313
Effective hypothesis decomposition

	motivation for business	Impact on the natural environment rank (Mean)	Impact on the natural environment rank (Std.Err.)	Impact on the natural environment rank (-95.00%)	Impact on the natural environment rank (+95.00%)	N
1	Survive	5.542857	0.259874	5.029315	6.056399	35
2	Lifestyle	4.432836	0.187827	4.061666	4.804005	67
3	Growth	4.836735	0.219633	4.402713	5.270757	49

The results in Table 4.35 indicated that the ranked means for impact on the natural environment as decision context dependent variable were significantly different within the three motivations to be in business categories Survive (5.543), Lifestyle (4.433) and Growth (4.837).

Table 4.36: Levene's test – motivation and impact on the natural environment

Levene's Test for Homogeneity of Variances
Effect: "motivation for business"
Degrees of freedom for all F's: 2, 148

	MS (Effect)	MS (Error)	F	p
Impact on the natural environment rank	12.37885	0.628421	19.69833	0.000000

The LSD Post Hoc Test results in Table 4.37 confirmed the current effect result and indicated that there were significant differences between the ranked means of the Survive and Lifestyle motivations to be in business (*p*=0.000702). The results additionally indicated that there were significant differences between the ranked means of the Survive and Growth motivations to be in business (*p*=0.039691).

Table 4.37: LSD Post Hoc test for impact on the natural environment and motivation to be in business

LSD test; variable Impact on the natural environment rank Probabilities for Post Hoc Tests Error: Between MS = 2.3637, df = 148.00				
	motivation for business	{1} (5.5429)	{2} (4.4328)	{3} (4.8367)
1	Survive		0.000702	0.039691
2	Lifestyle	0.000702		0.164324
3	Growth	0.039691	0.164324	

The Games Howell Post Hoc Test results in Table 4.38 confirmed the current effect result and indicated that there were significant differences between the ranked means of the Survive and Lifestyle motivations to be in business (p=0.000050). The results additionally indicated that there were significant differences between the ranked means of the Survive and Growth motivations to be in business (p=0.016456).

Table 4.38: Games Howell post hoc test – impact on the natural environment and motivation to be in business association

Games Howell LSD test; variable Impact on the natural environment rank Probabilities for Post Hoc Tests Error: Between MS = 2.3637, df = 148.00				
	motivation for business	{1} (5.5429)	{2} (4.4328)	{3} (4.8367)
1	To survive		0.000050	0.016456
2	For the lifestyle	0.000050		0.411952
3	To grow the enterprise	0.016456	0.411952	

Since the ranked mean of the Lifestyle (4.4328) motivation to be in business was closer to one than that of the Survive (5.5429) motivation to be in business, it implied that respondents with a Lifestyle motivation to be in business prioritised the impact on the natural environment as decision context more than the Survival orientated respondents.

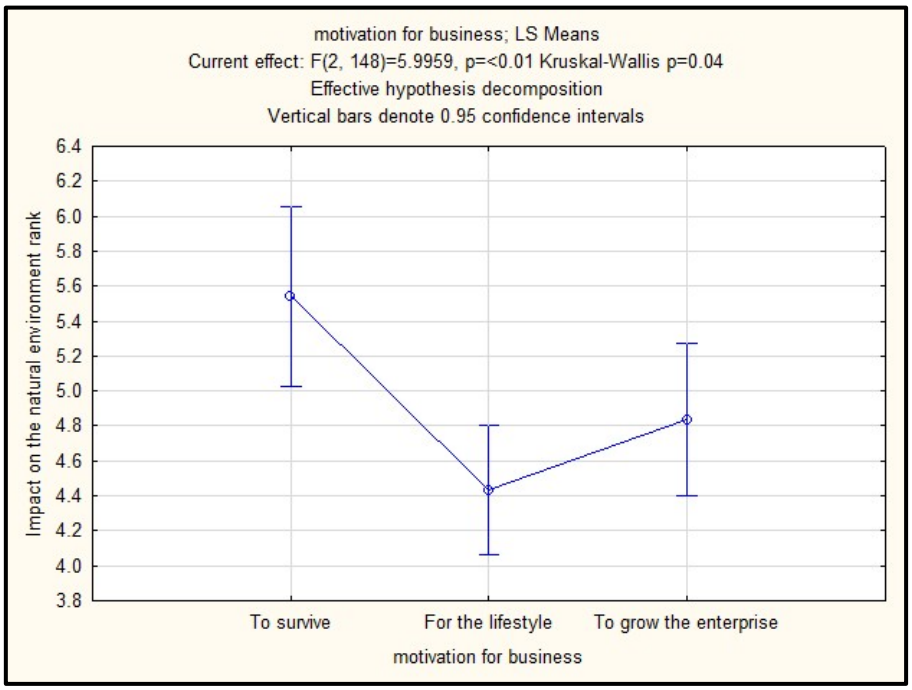


Figure 4.6: Illustrating the effect of motivation to be in business on the impact on the natural environment prioritisation

Additionally, since the ranked mean of the Growth (4.8367) motivation to be in business was closer to one than that of the Survival (5.5429) motivation to be in business, it implied that respondents with a Growth motivation to be in business prioritised the impact on the natural environment as decision context more than the Survival orientated respondents.

In order to assess the effect of respondents' quality decision context prioritisation on STEP, CDS, EDS, KET, SET, MSO and RSO, ANOVA's Least Square Means (LS Means) analyses were applied. The null hypothesis tested for this analysis was as follows:

H_0^{6A}: There are no differences in the means of STEP, CDS, EDS, KET, SET, MSO and RSO respectively with regards to the respondent's ranking of quality as decision context importance.

The different independent variables in these analyses were the importance rankings ranging from one to six where one was the most important and six the least important categories.

Table 4.39: Analysing the effect of Quality as decision context on STEP, CDS, EDS, KET, SET, MSO and RSO as respective dependent variables

Dependent variable	LS Means Current Effect								Levene's Test	
	F(5,145)	P	Ranked priorities for quality						F(5,145)	P
			1 (51)	2 (48)	3 (24)	4 (11)	5 (12)	6 (5)		
STEP	0.84	0.52	3.75	3.50	3.64	3.70	3.57	3.45	0.64	0.67
CDS	0.39	0.85	5.66	5.58	5.63	5.54	5.59	5.20	1.38	0.24
EDS	0.49	0.78	4.22	4.28	4.31	4.38	4.13	3.87	2.41	<0.04
KET	0.17	0.97	4.56	4.55	4.63	4.46	4.50	4.74	0.19	0.94
SET	0.15	0.98	5.23	5.16	5.14	5.25	5.28	5.24	1.02	0.41
MSO	0.58	0.71	4.54	4.55	4.30	4.78	4.61	4.55	0.34	0.89
RSO	0.28	0.93	5.35	5.28	5.47	5.41	5.38	5.36	0.52	0.76

Table 4.39 presents a summary of the ANOVA results in testing for the equality of STEP, CDS, EDS, KET, SET, MSO and RSO means between the respondent's Quality as decision context prioritisation categories. STEP, CDS, EDS, KET, SET, MSO and RSO were the respective dependent variables. The respective Quality importance rankings were the independent variables in these analyses.

All the *p*-values of the LS Means current effect analyses for STEP, CDS, EDS, KET, SET, MSO and RSO in Table 4.39 were greater than 0.05 ($p > 0.05$). The null hypothesis for each of the listed analyses was therefore accepted. This means that there were no statistically significant differences between the STEP, CDS, EDS, KET, SET, MSO and RSO means according to the quality importance rankings of the respondents. It could therefore be concluded at a 95% certainty level that the Quality importance rankings of respondents had no significant influence on the respondent's responses to the STEP, CDS, EDS, KET, SET, MSO and RSO construct items.

In order to assess the effect of respondents' Speed of response decision context prioritisation on STEP, CDS, EDS, KET, SET, MSO and RSO, ANOVA's Least Square Means (LS Means) analyses were applied. The null hypothesis tested for this analysis was as follows:

H_0^{6B}: There are no differences in the means of STEP, CDS, EDS, KET, SET, MSO and RSO respectively with regards to the respondent's ranking of Speed of response as decision context importance.

Table 4.40: Analysing the effect of Speed of response as decision context on STEP, CDS, EDS, KET, SET, MSO and RSO as respective dependent variables

Dependent variable	LS Means Current Effect								Levene's Test	
	F(5,145)	P	Ranked priorities for speed of response						F(5,145)	P
			1 (13)	2 (20)	3 (38)	4 (32)	5 (28)	6 (20)		
STEP	0.70	0.63	3.48	3.61	3.59	3.55	3.82	3.64	1.15	0.34
CDS	0.19	0.97	5.71	5.62	5.60	5.58	5.51	5.68	0.45	0.81
EDS	0.83	0.53	4.35	4.50	4.25	4.21	4.17	4.08	0.56	0.21
KET	0.44	0.97	4.56	4.83	4.63	4.45	4.46	4.49	0.85	0.51
SET	0.08	0.99	5.25	5.16	5.20	5.18	5.25	5.18	0.60	0.70
MSO	1.31	0.26	4.19	4.66	4.73	4.42	4.37	4.63	0.93	0.46
RSO	0.86	0.51	5.52	5.59	5.31	5.33	5.26	5.24	1.53	0.18

The different independent variables in these analyses were the importance rankings ranging from one to six where one was the most important and six the least important categories.

Table 4.40 presents a summary of the ANOVA results in testing for the equality of STEP, CDS, EDS, KET, SET, MSO and RSO means between respondents' Speed of response as decision context prioritisation categories. STEP, CDS, EDS, KET, SET, MSO and RSO were the respective dependent variables. The respective speed of response importance rankings were the independent variables in these analyses.

All the *p*-values of the LS Means current effect analyses for STEP, CDS, EDS, KET, SET, MSO and RSO in Table 4.40 are greater than 0.05 ($p > 0.05$). The null hypothesis for each of the listed analyses was therefore accepted. This means that there were no statistically significant differences between the STEP, CDS, EDS, KET, SET, MSO and RSO means according to the Speed of response importance rankings of the respondents. It could therefore be concluded at a 95% certainty level that the Speed of response importance rankings of respondents had no significant influence on the respondent's responses to the STEP, CDS, EDS, KET, SET, MSO and RSO construct items.

Table 4.41: Analysing the effect of ethical conduct as decision context on STEP, CDS, EDS, KET, SET, MSO and RSO as respective dependent variables

Dependent variable	LS Means Current Effect								Levene's Test	
	F(5,145)	P	Ranked priorities for ethical conduct						F(5,145)	P
			1 (22)	2 (14)	3 (38)	4 (50)	5 (16)	6 (11)		
STEP	0.28	0.92	3.55	3.60	3.70	3.57	3.70	3.67	1.00	0.42
CDS	2.03	0.08	5.49	5.75	5.53	5.48	6.08	5.73	0.34	0.88
EDS	1.23	0.30	4.15	4.07	4.44	4.16	4.17	4.49	1.37	0.24
KET	0.98	0.43	4.39	4.59	4.44	4.63	4.78	4.69	0.93	0.46
SET	1.79	0.12	5.12	5.10	5.24	5.20	5.56	5.83	1.92	<0.10
MSO	0.52	0.77	4.51	4.23	4.59	4.52	4.60	4.70	0.38	0.86
RSO	0.32	0.90	5.38	5.20	5.37	5.35	5.49	5.24	0.10	0.99

In order to assess the effect of respondents' ethical conduct decision context prioritisation on STEP, CDS, EDS, KET, SET, MSO and RSO, ANOVA's Least Square Means (LS Means) analyses were applied. The null hypothesis tested for this analysis was as follows:

H_0^{6C}: There are no differences in the means of STEP, CDS, EDS, KET, SET, MSO and RSO respectively with regards to the respondent's ranking of ethical conduct as decision context importance.

The different independent variables in these analyses were the importance rankings ranging from one to six where one was the most important and six the least important categories.

Table 4.41 presents a summary of the ANOVA results in testing for the equality of STEP, CDS, EDS, KET, SET, MSO and RSO means between respondents' ethical conduct as decision context prioritisation categories. STEP, CDS, EDS, KET, SET, MSO and RSO were the respective dependent variables. The respective ethical conduct importance rankings were the independent variables in these analyses.

All the *p*-values of the LS Means current effect analyses for STEP, CDS, EDS, KET, SET, MSO and RSO in Table 4.41 were greater than 0.05 ($p > 0.05$). The null hypothesis for each of the listed analyses was therefore accepted. This means that there were no statistically significant differences between the STEP, CDS, EDS, KET, SET, MSO and RSO means according to the ethical conduct importance rankings of the respondents. It could therefore be concluded at a 95% certainty level that the ethical conduct importance rankings of respondents had no significant influence on respondents' responses to the STEP, CDS, EDS, KET, SET, MSO and RSO construct items.

In order to assess the effect of respondents' profit maximisation decision context prioritisation on STEP, CDS, EDS, KET, SET, MSO and RSO, ANOVA's Least Square Means (LS Means) analyses were applied. The null hypothesis tested for this analysis was as follows:

H_0^{6D}: There are no differences in the means of STEP, CDS, EDS, KET, SET, MSO and RSO respectively with regards to the respondent's ranking of profit maximisation as decision context importance.

The different independent variables in these analyses were the importance rankings ranging from one to six where one was the most important and six the least important categories.

Table 4.42 presents a summary of the ANOVA results in testing for the equality of STEP, CDS, EDS, KET, SET, MSO and RSO means between respondents' profit maximisation as decision context prioritisation categories. STEP, CDS, EDS, KET, SET, MSO and RSO were the respective dependent variables. The respective profit maximisation importance rankings were the independent variables in these analyses.

Table 4.42: Analysing the effect of profit maximisation as decision context on STEP, CDS, EDS, KET, SET, MSO and RSO as respective dependent variables

Dependent variable	LS Means Current Effect								Levene's Test	
	F(5,145)	P	Ranked priorities for profit maximisation						F(5,145)	P
			1 (10)	2 (13)	3 (16)	4 (32)	5 (51)	6 (29)		
STEP	0.77	0.57	3.89	3.59	3.41	3.70	3.59	3.64	0.87	0.50
CDS	0.77	0.57	5.83	5.61	5.56	5.77	5.51	5.51	0.68	0.64
EDS	0.27	0.93	4.07	4.15	4.36	4.21	4.28	4.27	1.00	0.42
KET	1.53	0.19	4.89	4.65	4.54	4.51	4.66	4.31	4.27	0.00
SET	2.89	<0.02	5.11	4.89	5.00	5.08	5.18	5.51	1.09	0.37
MSO	1.20	0.31	5.08	4.51	4.33	4.49	4.59	4.40	2.08	0.07
RSO	0.65	0.66	5.53	5.25	5.23	5.23	5.45	5.36	0.36	0.88

Table 4.42 presents a summary of the ANOVA results in testing for the equality of STEP, CDS, EDS, KET, SET, MSO and RSO means between respondents' profit maximisation ranked priorities. STEP, CDS, EDS, KET, SET, MSO and RSO were the respective dependent variables. The respective profit maximisation importance rankings were the independent variables in these analyses.

All the *p*-values of the LS Means current effect analyses for STEP, CDS, EDS, KET, MSO and RSO in Table 4.42 were greater than 0.05 ($p > 0.05$) except for SET. The null hypothesis for each

of these analyses was therefore accepted. This implied that there were no statistically significant differences between the STEP, CDS, EDS, KET, MSO and RSO means according to the profit maximisation importance rankings of respondents. It could therefore be concluded at a 95% certainty level that STEP, CDS, EDS, KET, MSO and RSO were not influenced by the profit maximisation importance rankings of the respondents.

The results in Table 4.42 indicated that there were significant differences between some profit maximisation importance rankings with SET as dependent variable ($p < 0.02$). The current effect F-stat of 2.8949 ($p < 0.01601$) as illustrated in Figure 4.7 supported the result in Table 4.42.

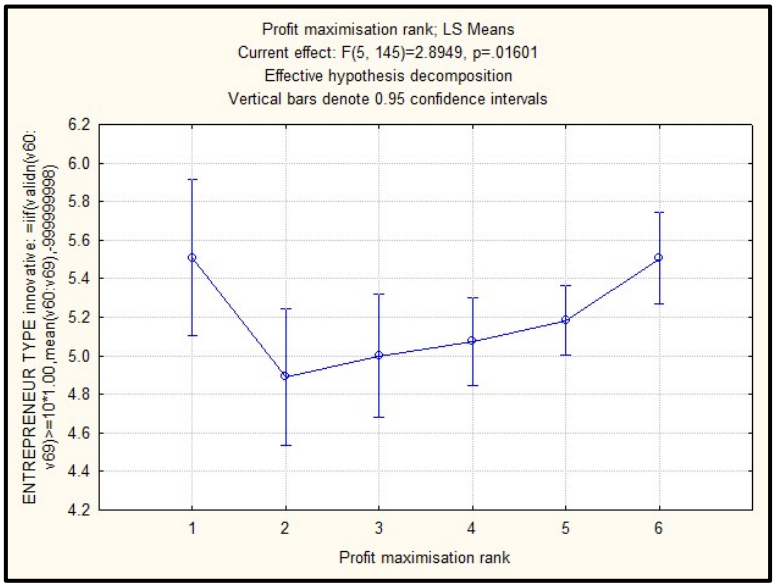


Figure 4.7: Illustrating the effect of profit maximisation on SET

The LSD Post Hoc Test was applied to the data set in order to confirm whether there were significant differences between the SET means between the profit maximisation importance rankings. Table 4.43 presents the results of the LSD Post Hoc Test. The results indicated that there were significant differences between SET means. The first option profit maximisation rank mean (5.51) differed significantly with the second option profit maximisation rank mean (4.8923) at a p=0.024892 level.

Table 4.43: LSD Post Hoc test for SET and profit maximisation

LSD test; variable SET
Probabilities for Post Hoc Tests
Error: Between MS = .41975, df = 145.00

	Profit maximisation rank	{1} (5.5100)	{2} (4.8923)	{3} (5.0000)	{4} (5.0750)	{5} (5.1843)	{6} (5.5069)
1	1		0.024892	0.052775	0.065874	0.148239	0.989596
2	2	0.024892		0.656865	0.392661	0.149038	0.005129
3	3	0.052775	0.656865		0.705928	0.322454	0.013089
4	4	0.065874	0.392661	0.705928		0.455571	0.010284
5	5	0.148239	0.149038	0.322454	0.455571		0.033960
6	6	0.989596	0.005129	0.013089	0.010284	0.033960	

The second option profit maximisation rank mean (4.8923) differed significantly with the sixth option profit maximisation rank mean (5.5069) at a p=0.005192 level. The third option profit maximisation rank mean (5.0000) differed significantly with the sixth option profit maximisation rank mean (5.5069) at a p=0.013089 level. The fourth option profit maximisation rank mean (5.075) differed significantly with the sixth option profit maximisation rank mean (5.5069) at a p=0.010284 level. The fifth option profit maximisation rank mean (5.1843) differed significantly with the sixth option profit maximisation rank mean (5.5069) at a p=0.03396 level. The results implied that the Schumpeterian entrepreneur type in this study differed significantly in their profit maximisation priorities. The rank means however ranged between 4.8923 and 5.5069 which indicated a relatively low importance for profit maximisation as a decision context priority based on the fact that one indicates the highest importance priority and six indicates the lowest importance priority.

Table 4.44: Analysing the effect of customer satisfaction as decision context on STEP, CDS, EDS, KET, SET, MSO and RSO as respective dependent variables

Dependent variable	LS Means Current Effect								Levene's Test	
	F(5,145)	P	Ranked priorities for customer satisfaction						F(5,145)	P
			1 (46)	2 (43)	3 (27)	4 (13)	5 (13)	6 (9)		
STEP	1.34	0.25	3.56	3.81	3.57	3.62	3.33	3.67	1.69	0.14
CDS	0.10	0.99	5.55	5.62	5.61	5.71	5.58	5.58	0.81	0.54
EDS	1.08	0.37	4.34	4.24	3.99	4.33	4.43	4.15	0.89	0.49
KET	0.65	0.66	4.66	4.48	4.60	4.63	4.32	4.63	0.61	0.69
SET	1.63	0.16	5.17	5.35	5.21	5.23	5.76	5.17	0.26	0.94
MSO	1.00	0.42	4.62	4.59	4.33	4.74	4.19	4.54	0.41	0.84
RSO	0.48	0.79	5.33	5.42	5.24	5.36	5.25	5.58	0.79	0.56

In order to assess the effect of respondents' customer satisfaction decision context prioritisation on STEP, CDS, EDS, KET, SET, MSO and RSO, ANOVA's Least Square Means (LS Means) analyses were applied. The null hypothesis tested for this analysis was as follows:

H_0^{6E}: There are no differences in the means of STEP, CDS, EDS, KET, SET, MSO and RSO respectively with regards to the respondent's ranking of customer satisfaction as decision context importance.

The different independent variables in these analyses were the importance rankings ranging from one to six where one was the most important and six the least important categories.

Table 4.44 presents a summary of the ANOVA results in testing for the equality of STEP, CDS, EDS, KET, SET, MSO and RSO means between respondents' customer satisfactions as decision context prioritisation categories. STEP, CDS, EDS, KET, SET, MSO and RSO were the respective dependent variables. The respective customer satisfaction importance rankings were the independent variables in these analyses.

All the *p*-values of the LS Means current effect analyses for STEP, CDS, EDS, KET, SET, MSO and RSO in Table 4.44 were greater than 0.05 ($p > 0.05$). The null hypothesis for each of the listed analyses was therefore accepted. This means that there were no statistically significant differences between the STEP, CDS, EDS, KET, SET, MSO and RSO means according to the customer satisfaction importance rankings of the respondents. It could therefore be concluded at a 95% certainty level that the customer satisfaction importance rankings of respondents had no significant influence on the respondent's responses to the STEP, CDS, EDS, KET, SET, MSO and RSO construct items.

Table 4.45: Analysing the effect of impact on the environment as decision context on STEP, CDS, EDS, KET, SET, MSO and RSO as respective dependent variables

Dependent variable	LS Means Current Effect								Levene's Test	
	F(5,145)	P	Ranked priorities for impact on the environment							
			1 (9)	2 (13)	3 (8)	4 (13)	5 (31)	6 (77)	F(5,145)	P
STEP	0.94	0.45	3.35	3.57	4.00	3.74	3.61	3.61	0.69	0.63
CDS	0.67	0.65	5.34	5.41	5.89	5.65	5.60	5.62	0.28	0.93
EDS	1.65	0.15	4.19	4.02	3.73	4.55	4.27	4.28	2.50	0.03
KET	1.27	0.28	4.14	4.37	4.54	4.75	4.50	4.64	1.20	0.31
SET	1.59	0.17	4.92	5.34	5.59	5.48	5.15	5.14	1.19	0.32
MSO	1.75	0.13	3.93	4.38	5.04	4.51	4.65	4.53	1.45	0.21
RSO	1.55	0.18	5.00	5.28	5.73	5.62	5.24	5.37	0.77	0.57

In order to assess the effect of respondents' impact on the natural environment decision context prioritisation on STEP, CDS, EDS, KET, SET, MSO and RSO, ANOVA's Least Square Means (LS Means) analyses were applied. The null hypothesis tested for this analysis was as follows:

H_0^{6F}: There are no differences in the means of STEP, CDS, EDS, KET, SET, MSO and RSO respectively with regards to respondents' ranking of importance of the natural environment as decision context importance.

The different independent variables in these analyses were the importance rankings ranging from one to six where one was the most important and six the least important categories.

Table 4.45 presents a summary of the ANOVA results in testing for the equality of STEP, CDS, EDS, KET, SET, MSO and RSO means between respondents' importance's of the natural environment as decision context prioritisation categories. STEP, CDS, EDS, KET, SET, MSO and RSO were the respective dependent variables. The respective importance of the natural environment rankings were the independent variables in these analyses.

All the *p*-values of the LS Means current effect analyses for STEP, CDS, EDS, KET, SET, MSO and RSO in Table 4.45 were greater than 0.05 ($p > 0.05$). The null hypothesis for each of the listed analyses was therefore accepted. This means that there were no statistically significant differences between the STEP, CDS, EDS, KET, SET, MSO and RSO means according to the importance of the natural environment rankings of the respondents. It could therefore be concluded at a 95% certainty level that the importance of the natural environment rankings of respondents had no significant influence on respondents' responses to the STEP, CDS, EDS, KET, SET, MSO and RSO construct items.

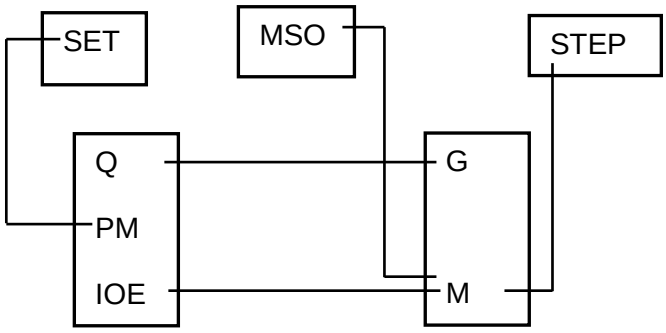


Figure 4.8: Model of significant relationships between SET, MSO, STEP, decision context and demographic variables as determined by ANOVA

Q=quality; PM=profit maximisation; IOE=impact on the environment; G=gender; M=motivation.

Based on the significant relationships that were determined in this section between SET, MSO and STEP with decision context and demographic variables, a model was built to illustrate the relationships. Figure 4.8 expresses the inter-relationships between SET and profit maximisation, gender and quality, motivation to be in business and impact on the environment, motivation to be in business and MSO and lastly between motivation to be in business and STEP.

4.3.8. Analysing the inter-relationships between STEP, CDS, EDS, KET, SET, MSO and RSO

The inter-relationships between the main constructs in the conceptualised model devised for this study were investigated by means of Pearson's Product Moment correlations. Table 4.46 displays a summary of the statistically significant correlation coefficients as well as the associated *p*-values within each block. The output results of all the correlations between main constructs and numerical demographic variables are displayed in Appendix G19.

Small tourism accommodation enterprise performance was found to be significantly and positively correlated with cognitive decision making (CDS) (r=0.24, p<0.01), market strategic orientation (MSO) (r=0.23, p<0.01), relationships strategic orientation (RSO) (r=0.18, p=0.02), Kirznerian entrepreneur type (KET) (r=0.20, p=0.01) and Schumpeterian entrepreneur type (SET) (r=0.18, p=0.03).

Table 4.46: Pearson product moment correlations for KET, SET, STEP, CDS, MSO and RSO (N = 151)

Variable	CDS	MSO	RSO	KET	SET
STEP	0.24 <0.01	0.23 <0.01	0.18 0.02	0.20 0.01	0.18 0.03
CDS	-	0.20 0.01	-	-	-
MSO	-	-	-	0.51 <0.01	0.27 <0.01
RSO	-	-	-		0.23 <0.01

MSO = market strategic orientation; RSO = relationships strategic orientation; STEP = small tourism enterprise performance; CDS = cognitive decision style; KET = Kirznerian entrepreneur type; SET = Schumpeterian entrepreneur type.

Cognitive decision making and market strategic orientation was found to be significantly and positively correlated (r=0.20, p=0.01). Market strategic orientation was found to be significantly and positively correlated with Kirznerian entrepreneur type (r=0.51, p<0.01) and Schumpeterian entrepreneur type (r=0.27, p<0.01). Relationships strategic orientation was found to be significantly and positively related to Schumpeterian entrepreneur type (r=0.23, p<0.01).

4.3.9. Analysing predictive relationships between STEP, CDS, EDS, KET, SET, MSO and RSO

Multiple regression analyses were applied to test if CDS, EDS, KET, SET, MSO and RSO could significantly predict small tourism enterprise performance. Small tourism enterprise performance was assessed as a dependent variable with entrepreneur types, decision styles and strategic orientations respectively as independent variables. Decision styles and strategic orientations were furthermore also assessed individually as dependent variables with entrepreneur types and strategic orientations as respective independent variables according to the conceptualised *a priori* model's interrelationships.

Table 4.47: Analyses of predictive relationships between KET, SET, MSO, RSO and STEP

Dep. Var.	F(2,148)	P	R^2	Ind. Var.	ß	T (2,148)	P
MSO	3.89	<0.0225	0.05	CDS	0.23	2.47	0.01
MSO	29.87	<0.0000	0.29	KET SET	0.57 0.21	6.65 2.34	0.00 0.02
RSO	5.00	<0.0079	0.06	SET	0.21	2.46	0.01
STEP	4.85	<0.0091	0.06	CDS	0.21	2.52	0.00
STEP	5.52	<0.0042	0.07	MSO	0.18	2.91	0.00

KET = Kirznerian entrepreneur type; SET = Schumpeterian entrepreneur type; CDS = cognitive decision style; EDS = emotive decision style; MSO = market strategic orientation; RSO = relationships strategic orientation; STEP = small tourism enterprise performance.

The null hypothesis for each of the multiple regression analyses states that the respective regression coefficients, $ß_1 = ß_2 = \ldots ß_n = 0$ (in other words the regression model offers no value). The alternative hypothesis states that at least one of the population regression coefficients or betas, $ß_{x,}$ is not equal to zero. Additionally, the closer the sample regression coefficients are to zero, the higher the probability of accepting the null hypothesis.

Table 4.47 presents the results of the multiple regression predictive relationships with MSO, RSO and STEP as respective dependent variables. KET, SET, CDS and MSO as independent variables were significant predictors of MSO, RSO, CDS and STEP respectively. These detailed predictive relationships are explained and clarified in the subsequent paragraphs.

The regression result (H_0^{7A}) for the dependent variable composite market strategic orientation (MSO) with independent variables composite cognitive decision style (ß=.20, *p*=.01) and composite emotive decision style (ß=.10, *p*=.22) is statistically significant (R^2 = .05, F(2,148)=3.89, *p*<.02). Composite cognitive decision style (CDS) therefore predicts composite market strategic orientation (MSO) significantly. The regression equation indicates that 5% of the variance of MSO is explained by CDS and EDS which means that 95% of the variance is explained by other factors.

The regression result (H_0^{7B}) for the dependent variable composite market strategic orientation (MSO) with independent variables composite opportunity alert entrepreneur type (ß=.47, *p*=.00) and composite innovative/creative entrepreneur type (ß=.17, *p*=.02) is statistically significant (R^2 = .29, F(2,148)=29.87, *p*<.00). Composite opportunity alert entrepreneur type (KET) and composite innovative/creative entrepreneur type (SET) therefore predicts composite market strategic orientation (MSO) significantly. The regression equation indicates that 29% of the variance of MSO is explained by KET and SET which means that 71% of the variance is explained by other factors.

The regression result (H_0^{7C}) for the dependent variable composite relationships strategic orientation (RSO) with independent variables composite opportunity alert entrepreneur type (ß=.11, *p*=.19) and composite innovative/creative entrepreneur type (ß=.20, *p*=.01) is statistically significant (R^2 = .06, F(2,148)=5, *p*<.007). Composite innovative/creative entrepreneur type (SET) therefore predicts composite relationships strategic orientation (RSO) significantly. The regression equation indicates that 6% of the variance of RSO is explained by KET and SET which means that 94% of the variance is explained by other factors.

The regression result (H_0^{7D}) for the dependent variable composite small tourism enterprise performance (STEP) with independent variables composite cognitive decision style (ß=.24, *p*=.00) and composite emotive decision style (ß=.07, *p*=.41) is statistically significant (R^2 = .05, F(2,148)=4.85, *p*<.01). Composite cognitive decision style (CDS) therefore predicts composite small tourism enterprise performance (STEP) significantly. The regression equation indicates that 5% of the variance of STEP is explained by CDS and EDS which means that 95% of the variance is explained by other factors.

The regression result (H_0^{7E}) for the dependent variable composite small tourism enterprise performance (STEP) with independent variables composite market strategic orientation (ß=.19, *p*=.03) and composite relationships strategic orientation (ß=.11, *p*=.18) is statistically significant (R^2 = .07, F(2,148)=5.16, *p*<.01). Composite market strategic orientation (MSO) therefore predicts composite small tourism enterprise performance (STEP) significantly. The regression equation indicates that 7% of the variance of STEP is explained by MSO and RSO which means that 93% of the variance is explained by other factors.

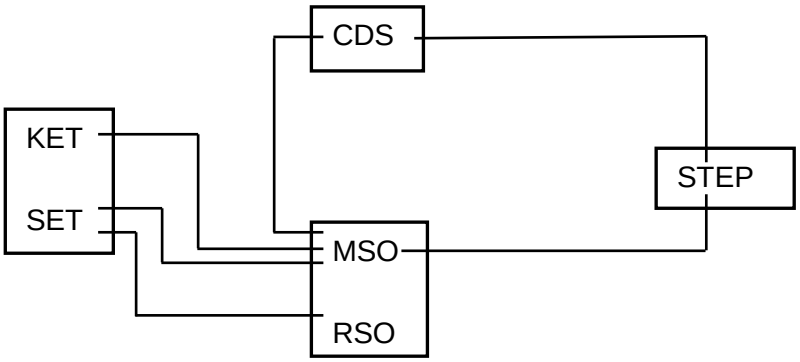


Figure 4.9: Model of significant predictive relationships between KET, SET, CDS, MSO, RSO and STEP variables as determined by multiple regressions

Based on the findings of the multiple regressions analyses in this study, a model of the significant predictive relationships could be built. The predictive relationships that were presented in the section above were expressed in the model in Figure 4.9. Kirznerian entrepreneur type was found to predict a market strategic orientation. Schumpeterian entrepreneur type was found to predict a market strategic orientation as well as a relationships strategic orientation. Cognitive decision making was found to predict a market strategic orientation as well as small tourism accommodation enterprise performance. A market strategic orientation was found to predict small tourism accommodation enterprise performance.

4.3.10. Analysis of the predictive relationships between the main constructs

Partial least squares structural equation modelling (PLS-SEM) was applied to test hypotheses about the predictive relationships within the structural (inner) model. The null hypothesis in PLS-SEM states that the path coefficient ($ß_i$) is equal to zero. The alternative hypothesis states that the path coefficient is not equal to zero. The *p*-value indicates whether the path coefficient is statistically significant (or not) at a 5% significance level. The measurement (outer) model presented evidence of convergent (see Table 4.48) and discriminant validity (see Table 4.16) of the latent variables (constructs) in this study.

The model is based on the *a priori* conceptualisation of the inter-construct relationships as expressed in Figure 4.11.

For the mentioned model the convergent and discriminant validities were presented as part of the measurement model assessment. The path coefficients and R^2 were presented in order to define the predictive relationships between the latent variables (constructs) in the structural model.

4.3.11. *A priori* PLS-SEM model

In the measurement (outer) model the factor loadings, average variance extracted (AVE) and the composite reliability (CR) are calculated to determine the convergent validity of the model. The discriminant validity is also calculated in the measurement model (Ang *et al.,* 2015: 194).

The path coefficient expresses the strength of the relationship between the antecedent and the dependent variable (predictor variable) whilst the R^2 is a measure of the predictive accuracy, or it alternatively explains the amount of variance in the dependent variable (Ang *et al.,* 2015: 194).

Table 4.48 presents the average variance extracted (AVE), the composite reliability (CR), the R^2 and the Cronbach alpha (CA) of the latent variables in the *a priori* measurement model. The suggested minimum values for AVE should be >.50; CR >.70 and CA >.60. The AVE values for the latent variables as listed in Table 4.48 are therefore not ideal, especially EDS's .123 which is very low. It was however decided to consider all latent variables with AVE values above .30 for this study providing that the respective CR (>.70) and CA (>.60) values were above the suggested minimum values. The composite reliability for EDS is additionally well below the suggested .70 value. The Cronbach alphas for all the variables are above the suggested minimum .60 value.

Table 4.48: Convergent validity elements of the *a priori* measurement model

Latent variables	AVE	CR	R^2	CA
STEP	.50	.88	.21	.84
CDS	.40	.85	.10	.78
EDS	.12	.12	.28	.70
SET	.34	.82	N/A	.71
KET	.35	.72	N/A	.64
MSO	.30	.80	.33	.74
RSO	.30	.75	.15	.67

Multicollinearity (calculated as the inverse of 1 – R^2) did not influence the relationships in this model. The multicollinearity values were all well within the suggested range of values (<10). The multicollinearity values are presented in Table 4.49.

Table 4.49: A priori – Inner Model Multicollinearity

	STEP	Cognitive decision-making	Emotive decision-making	Innovative/creative	Market orientated	Opportunity alert	Relationship orientated
STEP							
cognitive decision-making	1.431				1.395		1.395
emotive decision-making	1.752				1.749		1.749
innovative/creative	1.413	1.293	1.293		1.32		1.32
market orientated	1.617						
opportunity alert	2.007	1.293	1.293		1.583		1.583
relationship orientated	1.272						

All the paths in the model were assessed to have discriminant validity (see Table 4.16). Table 4.50 presents the statistically significant paths with path coefficients and the R^2 for each destination variable.

Table 4.50: *A priori* model significant path coefficients

Path	Path coefficient	*p*-value	R^2
SET -> RSO	.27	.01	.15
KET -> MSO	.53	.00	.33

Figure 4.10 of the *a priori* PLS-SEM model presents all the significant and non-significant paths with their respective path coefficients (ß) on the lines as well as the R^2 in the circles or bubbles that represent the respective latent variables.

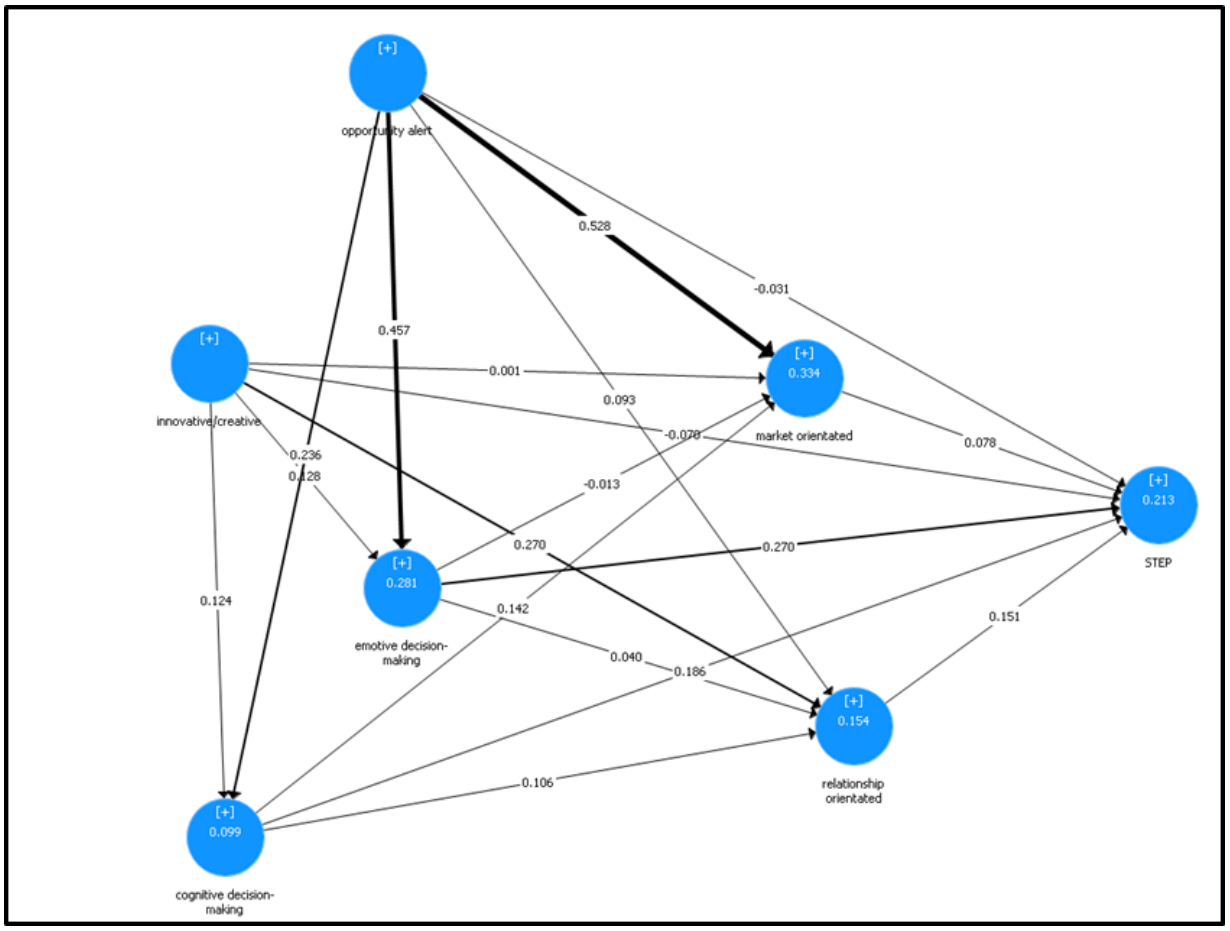


Figure 4.10: *A priori* PLS-SEM model

Figure 4.10 illustrates the inner (structural) and outer (measurement) models of the PLS-SEM analysis expressing the inter-relationships between the main constructs of this study, according to the SMART 3 software results output. The opportunity alert (KET) and innovative/creative (SET) entrepreneur types are represented by the bubbles on the top left side in Figure 4.10. KET and SET are constructs in the outer model from where the arrows in the illustration link them to the inner model CDS, EDS, MSO, RSO and STEP constructs. Each of the linking arrows indicates a potential predictive relationship with the construct at the arrows end. The strengths of the relationships are indicated by the path coefficients on the respective arrows. The amount of variance explained by each of these mentioned relationships are found within the various bubbles (as a fraction of 1 where 1 represents 100%).

The amount of variance explained for each of the constructs in the PLS-SEM structural model as depicted in Figure 4.10 were calculated to be 9.9% for CDS, 28.1% for EDS, 33.4% for MSO, 15.4% for RSO and 21.3% for STEP. Only two path ways in this model presented with significant predictive relationships at the $p<0.05$ level (Table 4.50).

Opportunity alert entrepreneur type (KET) was found to have a moderate predictive relationship with market-oriented strategic orientation (MSO) (ß=.53, *p*=.00) and it explains 33% of the variance of market-oriented strategic orientation as dependent latent variable (H_0^{8A}). Therefore 67% of the market-oriented strategic orientation variance could be attributed to other factors.

Innovative/creative entrepreneur type (SET) was found to have a weak predictive relationship with relationships-oriented strategic orientation (RSO) (ß=.27, *p*=.01) and it explains 15% of the variance of relationships-oriented strategic orientation as dependent latent variable (H_0^{8B}). Therefore 85% of the relationships-oriented strategic orientation variance could be attributed to other factors.

Based on the findings of the PLS-SEM analyses in this study, a model of the significant predictive relationships between KET and MSO (*p*=0.00) as well as between SET and RSO (*p*=0.01) could be built as illustrated in Figure 4.11.

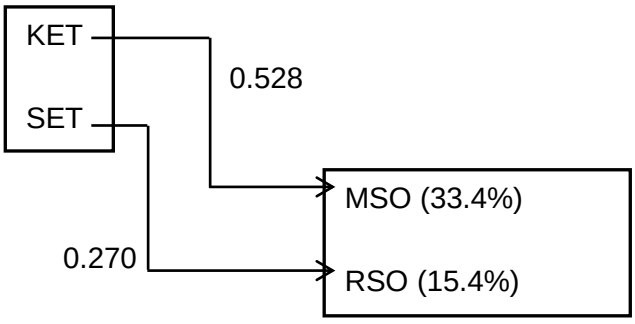


Figure 4.11: Model of significant predictive relationships between KET & MSO, and between SET & RSO variables as determined by PLS-SEM

The strength of the predictive relationship between KET and MSO as illustrated in Figure 4.11 was determined to be a moderate 0.528 (path coefficient) relationship. This defined relationship was found to explain 33.4% of the variance in MSO. Similarly, the strength of the predictive relationship between SET and RSO was determined to be a weak 0.27 (path coefficient) relationship. The latter relationship was calculated to explain 15.4% of the variance in RSO.

The results of the PLS-SEM were expected to duplicate the significant predictive relationships of the multiple regressions model as illustrated in Figure 4.9. The PLS-SEM findings could however only confirm two of the significant relationships in the multiple regressions model at the *p*<0.05 level. The CDS and MSO relationship in the PLS-SEM analysis was found to have a very weak path coefficient of 0.142 at the *p*=0.11 level which was not significant for the purposes of this study.

Likewise, the CDS -> STEP (p=0.24) and MSO->STEP (p=0.47) relationships in the PLS-SEM results were found to be insignificant at the p<0.05 level.

4.4. REVISITING THE A PRIORI MODEL

The results of this study were presented in section 4.3 above. In order to contextualise the findings relative to the conceptualised *a priori* model, the original conceptualisation as it was presented in Chapter 2 are herewith summarised and illustrated in Figure 4.12.

Entrepreneur types KET and SET, decision styles CDS and EDS as well as strategic orientations MSO and RSO were conceptualised to be antecedents to STEP. These constructs were theorised to be co-producers or determinants of STEP. It was also conceptualised that KET, SET, CDS, EDS, MSO and RSO would be inter-related based on the facts that these constructs were all theoretically linked to the human factor (entrepreneur).

Entrepreneurs as decision makers were also conceptualised to apply individually developed decision frameworks upon which decisions are made. Six decision context variables were therefore theoretically related to the different entrepreneur types, decision styles and strategic orientations of small tourism entrepreneurs.

Demographic factors were conceptualised to distinguish between entrepreneur types, decision styles, and strategic orientations with their resulting differentiating influences on small tourism enterprise performance. Demographic variables were additionally conceptualised to moderate decision context prioritisation.

Figure 4.12 expresses the conceptualised inter-relationships in the *a priori* model.

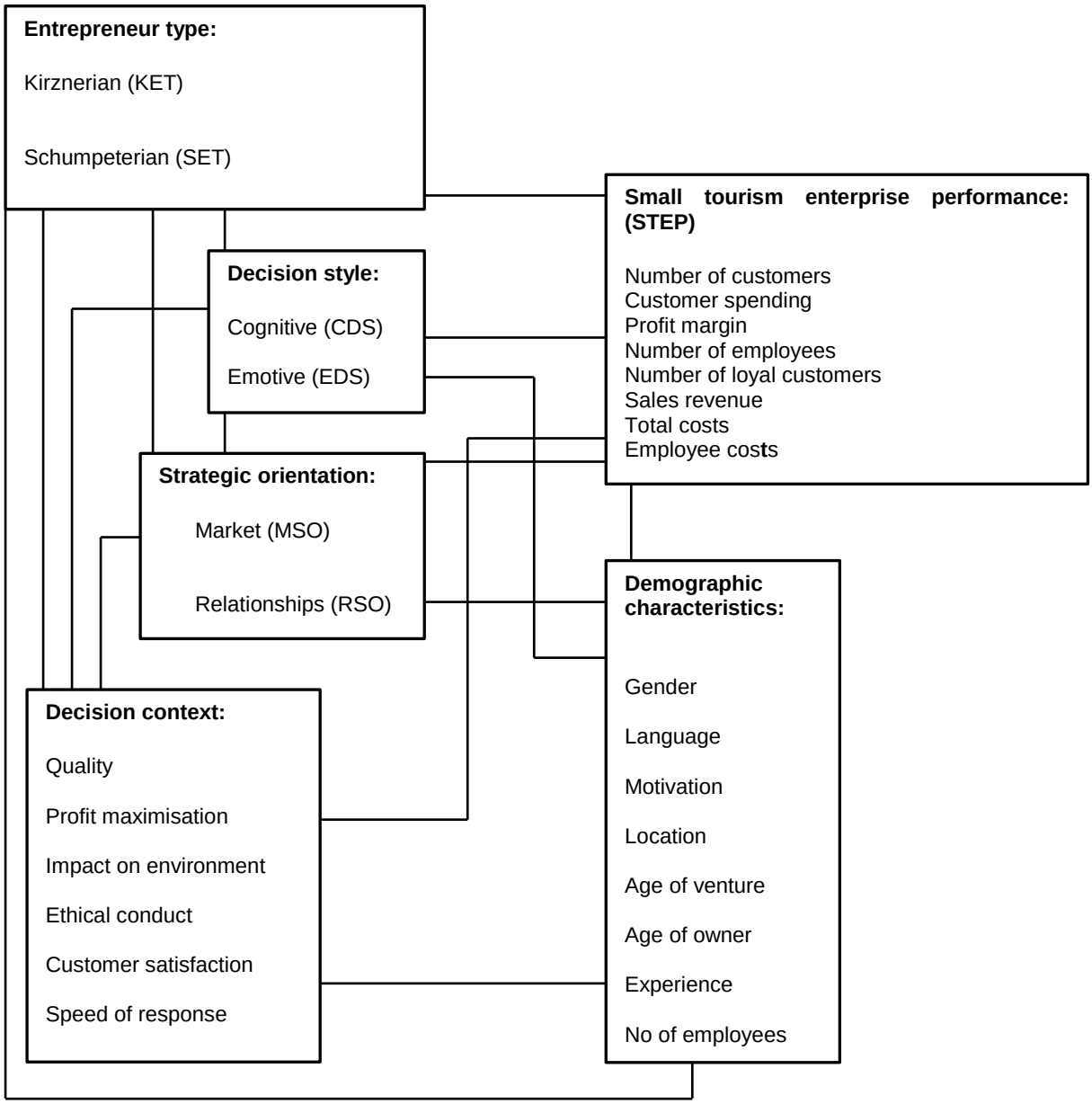


Figure 4.12: A *priori* model

4.5. A UNIFIED MODEL OF SIGNIFICANT RELATIONSHIPS

The models illustrating significant relationships or associations between variables that were presented in the sections above were integrated to form a unified model of significant relationships. The significant associations between some categories of the demographic variables home language, motivation to be in a tourism accommodation business and location of the business in South Africa, plus the variable relationships as illustrated in Figure 4.8; Figure 4.9 and Figure 4.11 were integrated into a unified model and presented in Figure 4.13.

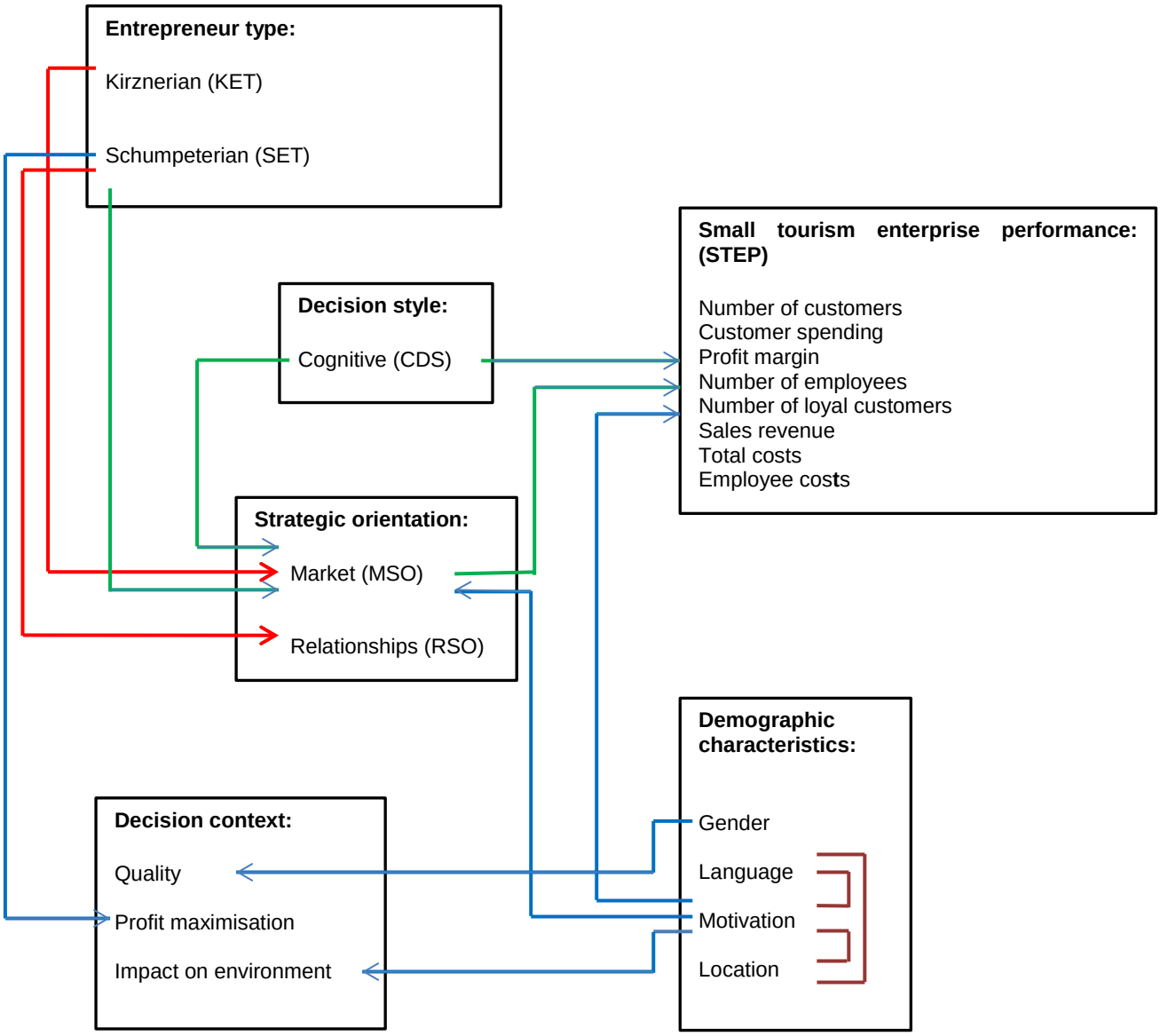


Figure 4.13: Populated *a priori* model with statistically significant associations

The significant (p<0.05) relationships that are illustrated in Figure 4.13 were interpreted as follows:

- Kirznerian entrepreneur type (KET) was found to significantly predict a market strategic orientation (MSO).
- Schumpeterian entrepreneur type (SET) was found to significantly predict a relationships strategic orientation (RSO).
- Schumpeterian entrepreneur type was found to significantly predict a market strategic orientation.

- Schumpeterian entrepreneur type was found to rank profit maximisation as decision context priority low.
- Cognitive decision style (CDS) was found to significantly predict a market strategic orientation (MSO).
- Cognitive decision style was found to significantly predict small tourism accommodation enterprise performance (STEP).
- A market strategic orientation was found to significantly predict small tourism accommodation enterprise performance.
- Respondents who have indicated that they were in a tourism accommodation business for lifestyle reasons prioritised the impact on the natural environment significantly higher than respondents who have indicated that they were in a tourism accommodation business for survival reasons.
- Respondents who have indicated that they were in a tourism accommodation business for growth reasons prioritised the impact on the natural environment significantly higher than respondents who have indicated that they were in a tourism accommodation business for survival reasons.
- It was found that males prioritised quality in small tourism accommodation enterprise decision making significantly more than females.
- Respondents who have indicated that they were in a tourism accommodation business for growth reasons were significantly more associated with a market strategic orientation than those respondents who have indicated that they were in a tourism accommodation business for lifestyle reasons.
- Respondents who have indicated that they were in a tourism accommodation business for growth reasons were significantly more associated with small tourism accommodation enterprise performance than those respondents who have indicated that they were in a tourism accommodation business for survival reasons.
- Respondents from Gauteng and Kwazulu-Natal were significantly more associated with speaking English as home language whereas respondents from the North West and the Northern Cape were significantly more associated with speaking Afrikaans as home language.
- Respondents from Gauteng, Northern Cape, North West and Mpumalanga were significantly more associated with being in a tourism accommodation business for growth reasons, whereas respondents from Kwazulu-Natal, Western Cape and Free State were significantly more associated with being in a tourism accommodation business for lifestyle reasons.

- English speaking respondents were significantly more associated with being in a tourism accommodation business for survival or lifestyle reasons, whilst Afrikaans speaking respondents were significantly more associated with being in a tourism accommodation business for growth reasons.

4.6. SUMMARY

This chapter has presented the analyses and results of the study. Entrepreneur types, decision styles, strategic orientations and small tourism enterprise performance were analysed and the inter-relationships were determined and interpreted. The associations of some demographic variables as well as decision context variables were described relative to each other as well as with the entrepreneur types, decision styles, strategic orientations and small tourism enterprise performance.

A number of models were built containing the significant inter-relationships as determined by the analyses of this study. A final populated *a priori* model expressing all the integrated significant relationships was presented and compared with the originally conceptualised model.

The next chapter presents the final conclusions and recommendations of this study. Chapter 5 therefore revisits the initial objectives of the study and how they were achieved. The chapter then presents a summary of the main results, interpretations and conceptualisations before concluding with some recommendations for future studies in this domain.

CHAPTER 5
SYNOPSIS, CONCLUSIONS AND RECOMMENDATIONS FOR FUTURE STUDIES

5.1. INTRODUCTION

The previous chapter presented the analyses and results of this study. This final chapter presents a synopsis of what was achieved relative to the objectives that were set for this study. This chapter includes a summary of the statistically significant results with a discussion about the value of these findings. The originally defined *a priori* model is also contrasted against the final unified model which illustrates the various inter-relationships between variables as verified by the statistically significant results of this study. The contributions of this study towards the body of knowledge, followed by an overview of the main limitations of this study, are presented before finalising with some recommendations for future research.

5.2. SYNOPSIS OF THIS STUDY

The main purpose of this study was to determine and model the interrelationships between different entrepreneur types (Kirznerian and Schumpeterian), decision-making styles of entrepreneurs (cognitive and emotive) and strategic orientations (market or relationships) as co-determinants of small tourism accommodation enterprise performances within the South African context. The latter concepts were additionally related to decision context priorities and some demographic characteristics of the owner-managers of formal South African small and micro tourism enterprises.

A thorough literature review which explored the above-mentioned concepts culminated in the development of a conceptual model illustrating the interrelatedness of the said variables. This study was particularly interested in exploring the collaborative determinants of small tourism accommodation enterprise performance in South Africa. Entrepreneur types, decision styles, strategic orientations, decision context and some demographic characteristics were argued to collaboratively determine small tourism accommodation enterprise performance. According to the *a priori* conceptualisation of this study Kirznerian and Schumpeterian entrepreneur types, cognitive and emotive decision styles as well as market and relationships strategic orientations were argued to be antecedents to small tourism accommodation enterprise performance. These mentioned constructs were reasoned to be collaborative determinants of small tourism enterprise performance. It was further argued that the constructs would be inter-related based on the facts that they were all theoretically linked to the human factor (owner-manager/entrepreneur). Entrepreneurs as the main decision makers on enterprise level were also argued to rely on

individually developed decision frameworks or mental models that guide decision making. Six decision context variables were claimed to be related to the different entrepreneur types, decision styles and strategic orientations of small tourism entrepreneurs. Demographic factors were conceptualised to distinguish between entrepreneur types, decision styles, and strategic orientations with their resulting differentiating influences on small tourism accommodation enterprise performance. Demographic variables were additionally argued to moderate decision outcomes and for that reason were considered to be co-determinants of small tourism accommodation enterprise performance.

A measurement instrument was developed based on the literature review. Acceptable content, criterion, convergent and discriminant validity as well as reliability were determined in the assessment of the measurement instrument. An exploratory factor analysis was performed on the data set in order to determine the factor structure of the measurement instrument. In the further analyses of the full data set the following techniques were used: correlation and multiple regression analyses, analyses of variance, Chi-square analyses and partial least squares structural equation modelling.

This research employed a non-random sampling technique and utilised a web-based e-survey to collect data from a sample of 4 715 formally registered accommodation enterprises whose information was obtained from South Africa's 278 municipalities (the sampling frame). One hundred and fifty-one responses were received which was considered a low response rate. Non-response bias was therefore controlled by comparing the first and the last quartiles for differences in responses. No significant differences were found and it was assumed that non-respondents' responses would be similar to the last quartile's responses which were no less different from the first quartile responses in this study.

The findings of this study could be generalised to South African accommodation enterprises that share similar characteristics with those that were identified by this study as proxies for the South African small accommodation enterprise population. The sample of this study was found to be in congruence with the population parameters based on the age of the owner-managers, the qualifications of the owner-managers, and on the number of employees employed by the enterprises.

Significant relationships were empirically determined and verified by this study. The summary of results later in this chapter presents and contextualises the findings. The significant findings were integrated and applied to construct a model in order to illustrate the inter-relationships between the various demographic, decision context, entrepreneur types, decision styles and strategic orientations variables as co-determinants of small tourism accommodation enterprise performance. Kirznerian entrepreneur type was found to predict a market strategic orientation; Schumpeterian

entrepreneur type was found to predict a market as well as a relationships strategic orientation. Schumpeterian entrepreneur type was found not to rank profit maximisation highly when making business decisions. Cognitive decision style was found to predict a market strategic orientation as well as small tourism accommodation enterprise performance. A market strategic orientation was also found to predict small tourism accommodation enterprise performance. Respondents who were in the tourism for growth purposes were significantly associated with a market strategic orientation as well as with small tourism accommodation enterprise performance. Males were found to rank quality significantly higher than female respondents in this study.

5.3. SUMMARY OF RESULTS

The first objective of this study was to explore the demographic profiles and decision context priorities of small tourism enterprise entrepreneurs. Demographic profiles of small tourism accommodation enterprises as explored by this study are firstly presented and related to the identified proxies of the population parameters. An overview of the decision context priorities and statistically significant results of the main constructs follow.

There were no statistically significant differences found between the first quartile responses and the last quartile responses relative to the main constructs of this study, namely entrepreneur types, decision styles, strategic orientations and small tourism accommodation enterprise performance (Table 4.17). Based on the argument of Pentz (2011: 160) that the responses of last responders could be equated to non-responders and since there were no differences found between the first quartile responses and the last quartile responses in this study, the probability that non-responder's responses would differ from the analysed responses and findings of this study, was minimised (see Tables G1-G7 & Figures G1-G7 in Appendix G).

5.3.1. Demographic profile

The following is a summarised presentation of the demographic profile findings of the small tourism accommodation enterprises based on the analysis of the data set of this study (see Tables F1-F5 & Figures F1-F7 in Appendix F):

- Age of the ventures (Mean age: 14 years with 41.06% between 0-10 years old and 49.67% between 11-20 years old);
- Age of the owner-managers (Mean age: 56.8 years with approximately 7% younger than 40 years old, but 50.33% were between 41 and 60 years old, 35.76% were between 61-71 years old);

- Years of experience (Owner-managers' mean years of experience in the tourism industry: 14 years with 11.92% having between 0-5 years' experience, 27.82% having between 6-10 years' experience and 43% having between 11-20 years' experience in the tourism industry);
- Number of employees (Mean number of employees: 5.8 with 3.31% having no employees, 63.58 having between 1-5 employees with a further 24.5% having between 6-10 employees);
- Highest qualification of the owner-managers (senior certificate: 23.8%; tertiary qualification: 45.7%, and post-graduate qualification: 30.5%);
- Gender distribution (Female: 47%, Male: 53%);
- Home language (English: 57%, Afrikaans: 36.4%, Indigenous African: 1.3%, other European: 5.3%);
- Owner-managers' motivation to be working in the tourism industry (Survival: 23.5%, Lifestyle: 44.4%, Growth: 32.4%);
- Location of the accommodation enterprise (Gauteng: 7.3%, KwaZulu-Natal: 13.9%, Western Cape: 47.7%, Eastern Cape: 13.9%, Northern Cape: 6%, Free State: 2.6%, North West: 2%, Limpopo: 2.6%, Mpumalanga: 4%).

5.3.2. Sample characteristics and generalisation

The proxies that were described in Chapter 3 to determine some of the population characteristics of small accommodation enterprises in South Africa for age of the owner manager, number of employees and highest qualification of the owner-manager are as follows:

- Approximately 53% of owner-managers could be expected to be in the age groups 45–64 according to BER (2016).
- The majority (>50%) of small and micro accommodation owners in South Africa were expected to employ between three and nine people according to Hamm (2014).
- Approximately 60% of the formally registered entrepreneurs in the trade and accommodation sector of the South African economy could be expected to possess post-matric qualifications and 45.7% could be expected to be in possession of a 3-year degree or diploma, in other words owner-managers in the formal trade and accommodation sector of South Africa could be expected to be well educated according to BER (2016).

The demographic profile descriptions of the sample of respondents of this study in terms of the age of the owner manager (>50% of owner-managers were found to be between 41-60 years old), number of employees of the enterprise (>88% of the enterprises employed between 1-10 employees) and the highest qualification of the owner-manager (45.7% of the owner-managers

possessed a 3 year degree/diploma) were therefore found to be representative of the respective population characteristics. The findings of this study could therefore be generalised to those small tourism accommodation enterprises in South Africa that meet the described population characteristics in terms of age of the owner manager, number of employees employed by the tourism enterprise and highest qualification of the owner-manager.

5.3.3. Association between demographic variables

This study found no significant associations between the owner-managers' qualification and gender, qualification and language, qualification and home language, qualification and motivation to be in business, qualification and location, gender and location, gender and home language and gender and motivation to be in a tourism accommodation business (Table 4.22).

Significant associations were however found between the owner-managers' motivation to be in business and home language (Table 4.19), motivation to be in business and location (region) (Table 4.20) as well as location and home language (Table 4.21).

Respondents from Gauteng and Kwazulu-Natal were significantly more associated with speaking English as home language whereas respondents from the North West and the Northern Cape were significantly more associated with speaking Afrikaans as home language.

Respondents from Gauteng, Northern Cape, North West and Mpumalanga were significantly more associated with being in a tourism accommodation business for growth reasons, whereas respondents from Kwazulu-Natal, Western Cape and Free State were significantly more associated with being in a tourism accommodation business for lifestyle reasons.

English speaking respondents were significantly more associated with being in a tourism accommodation business for survival or lifestyle reasons, whilst Afrikaans speaking respondents were significantly more associated with being in a tourism accommodation business for growth reasons.

5.3.4. Association between demographic variables and the main constructs

Weak correlations between some demographic variables and some main constructs were found (Table 4.18). A significantly weak positive correlation between small tourism enterprise performance and the number of employees of the enterprise was found. It therefore seems as if enterprises with more employees performed better than those enterprises with fewer employees. Schumpeterian entrepreneur types correlated significantly positive with the age of the venture as well as with the years' experience of the owner-manager. It therefore seems as if the more creative and innovative entrepreneurs in this study were more experienced individuals and were plying their

trades in older and more mature enterprises. Owner-managers with more experience and who were plying their trades in more mature and older ventures were also found to be significantly correlated with a relationships strategic orientation. Cognitive decision style correlated significantly positive with the number of employees of the enterprise. It therefore seems as if owner-managers working with larger numbers of employees were more likely to apply a cognitive decision style. The age of owner-managers was found to be correlated significantly negative with a market strategic orientation. The latter could indicate that older owner-managers were less likely to apply a market strategic orientation.

This study found no significant differences in the owner-managers' responses to entrepreneur types, decision styles, strategic orientations and small tourism accommodation enterprise performance relative to the different qualifications categories (Table 4.23), gender categories (Table 4.24), home language categories (Table 4.25) and the geographical location categories or regions of enterprises (Table 4.29). Qualification, gender, home language and regional location of enterprises therefore did not have any significant differentiating influence on the owner-managers' responses to entrepreneur type, decision style, strategic orientation or small tourism accommodation enterprise performance.

The results indicated that respondents who were in a tourism accommodation business with growth aspirations scored significantly higher on small tourism accommodation enterprise performance than those respondents with a survival orientation (Table 4.26 & Table 4.27) and that respondents who were in the tourism business with growth aspirations additionally scored significantly higher on a market strategic orientation than those respondents with a lifestyle orientation (Table 4.26 & Table 4.28).

5.3.5. Decision context priorities and associations with demographic variables

The majority of respondents ranked quality as the highest priority decision making option. Customer satisfaction was ranked as the second highest priority when making business decisions.

The third most important decision making context priority was found to be response time (speed of response). The fourth ranked decision context variable in this study was found to be ethical conduct with profit maximisation and the impact on the natural environment as fifth and sixth ranked decision context priorities.

Males were found to rank quality as a decision context priority higher when making business decisions than their female counterparts (Table 4.32).

Respondents with a lifestyle motivation to be in a tourism accommodation business were found to rank the impact on the natural environment as a decision context priority significantly higher than the survival orientated respondents in this study (Table 4.35 & Table 4.37).

5.3.6. Decision context priorities and associations with the main constructs

This study found no significant differences in the owner-managers' responses to entrepreneur types, decision styles, strategic orientations and small tourism accommodation enterprise performances relative to the different importance ranking categories of the following decision context variables: quality (Table 4.39), speed of response (Table 4.40), ethical conduct (Table 4.41), customer satisfaction (Table 4.44) and impact on the natural environment (Table 4.45).

The results have however indicated that the Schumpeterian entrepreneur type was significantly associated with low profit maximisation priorities (Table 4.42 & Table 4.43). Schumpeterian entrepreneur type was found to rank profit maximisation low in terms of business decision making in this study.

5.3.7. Relationships between the main constructs

The correlation between Kirznerian entrepreneur type and a market strategic orientation was found to be a moderate correlation implying that entrepreneurs that scored high on the Kirznerian entrepreneur type characteristics were likewise found to be more inclined to apply a market strategic orientation (Table 4.46). The rest of the correlations between the main constructs were found to be weak or very weak. Small tourism accommodation enterprise performance was found to be significantly and positively correlated with cognitive decision making, market strategic orientation, relationships strategic orientation and both entrepreneur types. This implies that those respondents with higher scores on cognitive decision style and both strategic orientations as well as both entrepreneur types were more inclined to score higher on small tourism accommodation enterprise performance. Cognitive decision making and market strategic orientation was found to be significantly and positively correlated, meaning that respondents with a higher inclination to apply a cognitive decision style were also more likely to be associated with the market strategic orientation. Market strategic orientation was found to be significantly and positively correlated with the Schumpeterian entrepreneur type, meaning that higher Schumpeterian entrepreneur type inclinations were more likely to be translated into a more market strategic orientation. Relationships strategic orientation was found to be significantly and positively related to Schumpeterian entrepreneur type, meaning that the respondents who scored high on Schumpeterian entrepreneur type characteristics were more likely to score higher on the relationships strategic orientations.

The multiple regression results of the significant predictive relationships between some of the main constructs indicated below were presented in Table 4.47 as well as in Appendix G (Tables G22–

G30). Both Kirznerian and Schumpeterian entrepreneur types were found to significantly predict a market strategic orientation. The cognitive decision style was also found to significantly predict a market strategic orientation. The Schumpeterian entrepreneur type was found to significantly predict a relationships strategic orientation. A cognitive decision style and a market strategic orientation were both found to significantly predict small tourism enterprise performance.

The PLS-SEM results of the significant predictive relationships were presented in Table 4.50. The Kirznerian entrepreneur type was found to significantly predict a market strategic orientation and the Schumpeterian entrepreneur type was found to significantly predict a relationships strategic orientation.

The overview of the main results is herewith concluded. The next section presents a comparison of the originally conceptualised *a priori* model (Figure 4.12) and the final model that was constructed from all the significantly verified relationships in this study (Figure 4.13).

5.4. A COMPARISON OF MODELS

This section will firstly present an overview of the main considerations and arguments upon which the different variables, concepts and constructs were justified for inclusion into the originally conceptualised *a priori* model. The relationships in the final model would thereafter be evaluated against the original conceptualisations. Some implications of the findings of this study conclude this section.

5.4.1. Original conceptualisations

The entrepreneur or owner-manager was described as the main decision maker that directly influences the performance of an enterprise (Brundin & Gustafsson, 2013: 568; Douglas, 2005: 422; Ligthelm, 2010: 150; Verhees & Meulenberg, 2004: 134). There was a need expressed to gain more understanding of the decision-making capabilities of owner-managers of small tourism accommodation enterprises and how these capabilities translate into enterprise growth and sustainability (Cleverdon, 2002: 7; Mason, 2006: 241; Sharma & Christie, 2010: 282).

Schumpeterian entrepreneurs were identified as possessing preferences for creating unique solutions to market needs and Kirznerian entrepreneurs were described as having dominant preferences for recognising and exploiting opportunities in the market (Marcotte, 2014: 43). It was therefore argued that the interaction between different entrepreneur types and different environmental conditions would prompt different strategic approaches and eventually result in different enterprise outcomes. Kirznerian entrepreneurs were associated with a market penetration strategy, and Schumpeterian entrepreneurs were associated with a market development strategy (Sundqvist *et al*., 2012: 213). The Kirznerian entrepreneur was considered to be more proactive

and competitively aggressive and seen as outperforming the Schumpeterian type of entrepreneur in stable market conditions. The Schumpeterian type of entrepreneur was found to outperform the Kirznerian entrepreneur in dynamic market conditions (Sundqvist *et al*., 2012: 213). Entrepreneurs could however also possess a combination of creative/innovative and opportunity alert characteristics (Marcotte, 2014: 43). Therefore, considering that entrepreneurs were identified as the main decision makers in an enterprise and based on the potential differences in enterprise performances as a result of the different approaches by different entrepreneur types, it was argued that entrepreneur types would have different influences on small enterprise performance. For that reason entrepreneur types were included in the conceptual model and it was hypothesised that entrepreneur types were antecedents to small tourism accommodation enterprise performance.

Kirznerian entrepreneurs were associated with a market-oriented approach based on the emphasis of an aggressive competitive style according to Carsrud and Brànnback (2007: 11). The Schumpeterian entrepreneur was associated with higher intuitive decision making according to Dane and Pratt (2007: 38-39). Agarwal, Erramilli and Dev (2003: 69) claimed that innovation was related to a market-focused orientation. Sundqvist *et al.* (2012: 213) proposed a relationship between proactive and higher competitive behaviour which were claimed to be associated with a market orientation. Tse *et al*. (2004: 1168) suggested that Kirznerian and Schumpeterian entrepreneur types may coexist and co-perform under certain market conditions. Considering that different entrepreneur types seemed to have preferences for different strategic orientations and that these chosen strategic orientations may result in differentiating small tourism accommodation enterprise performance, the market strategic orientation and the relationships strategic orientation were included in the conceptual model as hypothesised antecedents to small tourism accommodation enterprise performance. Based on the identified conceptual links between the Kirznerian and Schumpeterian entrepreneur types and a market strategic orientation, it was furthermore hypothesised that both entrepreneur types could co-exist under certain conditions. In order to determine if both entrepreneur types were equally related to a market strategic orientation, it was hypothesised that the different entrepreneur types have different preferences for adopting a market strategic orientation based on certain conditions.

The establishment and maintenance of good relationships with customers was identified as an alternative strategic orientation to a market strategic orientation (Alrubaiee & Al-Nazer, 2010: 157). Relationship marketing orientation was associated with market followers and market nichers (Tse *et al.*, 2004: 1168). The Schumpeterian entrepreneur was however more associated with market challengers. It was therefore originally conceptualised that a relationships strategic orientation would be associated with the Kirznerian entrepreneur on the basis of being associated with market followers rather than with market developers.

Decision-making styles of entrepreneurs were claimed to contribute towards different enterprise performances based upon individual-level unique combinations of cognition and emotion in the decision-making process (Kim *et al*., 2006; Lakomski & Evers, 2010; Smith & Reynolds, 2009). It was therefore conceptualised that decision style was determined by entrepreneur types and influenced strategic orientations as well as small enterprise performance respectively and collaboratively.

Brundin and Gustafsson (2013: 568) claimed that entrepreneurs make decisions considering certain contexts. Decision contexts that were evaluated as having moderating effects on decisions were quality of service (Ciasullo & Troisi, 2013: 44; Eraqi, 2006: 469), speed of response (Bielen & Demoulin, 2007: 177; Mador, 2000: 217), ethical orientation (Ahmad *et al*., 2010: 185; Ciasullo & Troisi, 2013: 44), profit maximisation (Omerzel & Antoncic, 2008: 1196), customer satisfaction (Chitty *et al*., 2007: 565) and the impact on the natural environment (Tzschentke *et al*., 2004: 116). According to the original conceptualisation these mentioned decision context variables would have different meanings to the different entrepreneur types and that the different decision styles would prioritise different decision contexts differently. Furthermore, it was argued that different strategic orientations would attach different emphases on the respective decision context variables. Decision context variables were therefore viewed to moderate small tourism accommodation enterprise performance. Lastly, it was posited that there would be associations between demographic variables and decision context variables.

Evidence from the literature suggested that the following variables have had differentiating influences on business performance, depending on certain conditions. For the latter reason these variables were regarded as co-determinants of enterprise performance and were included as demographic variables.

- Age of the main decision-maker (Oshagbemi, 2004).
- Age of the business (Wood, 2002).
- Gender (Oshagbemi & Gill, 2003; Schyns & Sanders, 2005).
- Home language as an indicator of culture (Robie *et al*., 2001).
- Number of employees (Audretsch, 2012: 756; Ha-Brookshire, 2009).
- Motivation to be in business (Getz & Carlsen, 2000; Morrison, 2006; Murphy & Kielgast, 2008; Reijonen & Komppula, 2007; Weiermair, 2000; Wood, 2002).
- Education of decision-makers (Morrison & O'Mahony, 2003; Wood, 2002).

5.4.2. Final model evaluation

The significant correlations between variables were not considered for inclusion in the final model due to their weak to very weak relationships that were determined. The exception is the moderate correlation between Kirznerian entrepreneur type and a market strategic orientation. However, the latter relationship had been confirmed by the multiple regression and PLS-SEM results.

Variables that were originally included in the *a priori* model, but failed to register any significant relationships or associations with others in the model were removed from the final model. Emotive decision style did not feature in any significant relationships of this study. Despite acceptable measures of validity and reliability the measurement of emotive decision style should be reconsidered and improved upon in future studies of this nature. There were no statistically significant associations documented between the respective customer satisfaction, ethical conduct and speed of response decision context variables with other variables. These three variables were therefore removed from the final model.

No significant predictive relationships or associations were found between the entrepreneur types, decision styles, strategic orientations and small tourism accommodation enterprise performance with regards to owner-manager qualifications, gender, number of employees, home language, location, age of the venture, age of the owner-managers or the owner-managers' experience. Gender was retained in the model based on the statistically significant association that was found with quality as a decision context variable. Home language and geographical location were retained in the model due to the statistically significant associations between themselves and also between themselves and the motivation to be in the tourism accommodation business variables.

It was originally conceptualised in the *a priori* model that entrepreneur types would be inter-related with decision styles and small accommodation enterprise performance. The results of this study have however indicated that entrepreneur type and decision style were independent constructs with no significant relationships between them. The hypothesised relationships between the respective Kirznerian and Schumpeterian entrepreneur types and a market strategic orientation were confirmed by this study and based on that, these constructs were retained in the final model. Both entrepreneur types predicted a market strategic orientation significantly. It therefore confirmed the theory that market developers (Schumpeterian entrepreneurs) and market challengers (Kirznerian entrepreneurs) both rely on environmental analyses in order to gather information on customers and competitors and to disseminate this information within their enterprises to maintain or gain competitive advantage.

The finding by this study that a growth-oriented motivation to be in business predicts small accommodation enterprise performance lends empirical support to the arguments of Dweck (2006)

who claimed that a growth-oriented mindset rather than a fixed mindset relates to performance in a variety of contexts. Furthermore, small accommodation entrepreneurs in this study who have indicated that they were in the business for lifestyle or survival reasons were moreover found not to be associated with small accommodation enterprise performance. It is therefore essential for small accommodation entrepreneurs to develop a growth-oriented approach in order to achieve small accommodation enterprise performance for wealth creation and employment creation opportunities.

This study, like that of Elbanna and Naguib (2009: 450), additionally provides strong empirical support that a cognitive decision style, which is more based on rational decision-making and less on intuition, is positively related to enterprise performance. Rational decision-making is more associated with the careful consideration of all relevant variables before action is taken and it is also time dependent (Campbell, 2007; Senge, 2006). Hence, small accommodation entrepreneurs should by implication carefully consider all the external and internal environmental conditions that may impact on the competitive advantage of the enterprise. Planning, organising, controlling and leading for efficiency and effectiveness are therefore essential components of cognitive decision-making. Aspects such as the value proposition of the enterprise, the revenue model and the limitation of expenditures are variables that need careful consideration in this decision process.

Various studies have reported a positive relationship between market orientation and enterprise performance (Bozic & Ozretic-Dosen, 2015; Hooley *et al*., 2003; Osuagwu, 2006). This study has also empirically found convincing evidence to support the claims of Bozic and Ozretic-Dosen (2015); Hooley *et al*. (2003) and Osuagwu (2006). Hence, the findings of this study means that accommodation enterprises should continuously monitor and respond to potential customer's changing needs and preferences with regards to the enterprise's value proposition. Similarly, accommodation enterprises should continuously generate intelligence on how their competitors adapt to customer needs and preferences. Intelligence about the changing needs and preferences of customers and how competitors respond to these changing needs and preferences should be disseminated amongst all employees and appropriate responding strategies should be formulated and implemented in order to be competitive in terms of the complete enterprise value proposition.

Reijonen *et al*. (2014) found a positive association between a growth-oriented SME and the adoption of a market orientation. The latter is therefore empirically supported by the findings of this study, namely that a growth motivation to be in business is positively related to a market strategic orientation. The finding by this study that cognitive decision style predicts a market strategic orientation is also in support of similar findings by Stimpert and Duhaim (2010) as well as Collinson and Houlden (2005). These findings mean that accommodation entrepreneurs need to develop thinking patterns based on a cognitive decision style with a growth-orientated focus and that these

mindsets would assist in the development of a market strategic orientation. Customer and competitor intelligence should therefore be gathered, carefully analysed and an action plan formulated aimed to grow the enterprise.

Market strategic orientation can be viewed as a mediating determinant between Kirznerian and Schumpeterian entrepreneur types and small accommodation enterprise performance, because it was found that neither entrepreneur type predicts accommodation enterprise performance directly. The opportunity exploring, opportunity recognition and opportunity exploitation mindsets of the Kirznerian entrepreneur were found to be strongly related to a market strategic orientation by this study. It means that the Kirznerian entrepreneur explores, identifies and exploits opportunities based on intelligence derived from customer and competitor analyses.

Schumpeterian entrepreneur type was additionally found to predict a relationships strategic orientation (RSO), but it was found that RSO had no direct influence on small accommodation enterprise performance. The link between Schumpeterian entrepreneur type and small accommodation enterprise performance is therefore through the mediating role of a market strategic orientation. Arguments presented by Peppler and Solomou (2011: 13) that creative ideas originate and develop as a result of a broader social interaction between individuals could therefore suggest that the Schumpeterian entrepreneur engages with others in the process of creating value. This implies that the Schumpeterian entrepreneur establishes and maintains relationships with key role players in a social network as part of the value creation process. These role players may for instance be fellow employees, customers or even competitors. The finding by this study that Schumpeterian entrepreneur type predicts a relationships strategic orientation could therefore explain the collaborative interaction by this entrepreneur type within a social networking structure as a basis for new value creation.

The findings of this study that both entrepreneur types predict a market strategic orientation is furthermore in support of Agarwal *et al*.'s (2003: 69) claim that the Kirznerian and Schumpeterian entrepreneur types could both be associated with a market strategic orientation. Marcotte (2014) referred to the gap in the literature as identified by the Global Entrepreneurship Monitor to characterise entrepreneur types in South Africa. These two forms of entrepreneur types were therefore found to co-exist and co-perform within context of the formal small accommodation industry of South Africa. This latter finding is therefore in support of the reconciliation position as proposed by Marcotte (2014).

The six decision context priorities have also not previously been empirically investigated in any previous South African studies. Schumpeterian entrepreneur type was found not to rank profit maximisation highly in this study. This finding is in support of claims by Morrison (2006: 199) that small tourism entrepreneurs in the UK would rather protect a comfortable lifestyle than to focus on

a profit maximisation strategy. However, in another study, De Jong and Marsili (2015) found that Schumpeterian entrepreneurs in the Dutch large firm high-tech manufacturing industry are highly growth-oriented. The finding of this study is therefore different from those in the De Jong and Marsili (2015) study. A possible explanation for this could be that the majority of respondents in this study have indicated that they are in the tourism industry for Lifestyle reasons (44.4%) or for Survival purposes (23.5%). Hence, the differences in the findings of these two studies seem to be based on industry-specific differences.

This study furthermore found an association between a lifestyle motivation to be in the accommodation business and a decision context prioritisation for “impact on the environment”. This finding is in congruence with the claims by Morrison (2006: 199) that lifestyle orientated small tourism entrepreneurs in the UK aspire to live in locations with natural scenic beauty. Possible reasons for this, according to Morrison (2006: 200), could be to fulfil “social and moral obligations such as sustaining the natural environment”. In this study entrepreneurs that operate accommodation enterprises in Kwazulu-Natal, Western Cape and the Free State were found to prefer the tourism industry for lifestyle reasons. The Kwazulu-Natal and the Western Cape are coastal regions known for their natural scenic beauty. It therefore appears as if the finding by this study corresponds with the claims of Morrison (2006: 200) with regards to the preferences of lifestyle tourism entrepreneurs to reside in regions that are known for its beautiful natural and picturesque environments.

Afrikaans speaking entrepreneurs generally and those that operate accommodation enterprises in the Gauteng, Northern Cape, North West and Mpumalanga regions were found to be more associated with a growth-oriented motivation to be in the tourism industry. English speaking entrepreneurs on the contrary and those that operate accommodation enterprises in the Western Cape, Kwazulu-Natal and Free State regions were found to be more associated with a lifestyle or survival motivation to be in the tourism industry.

The study was based on a positivist paradigm and deductive logic was applied. Lee and Jones (2015: 343) refer to the ontological position of positivist research as efforts to generalise the results. The results of this study could be generalised to the population of formal small accommodation entrepreneurs in South Africa that meet the described population characteristics in terms of age of the owner manager, number of employees employed by the tourism enterprise and highest qualification of the owner-manager. According to Lee and Jones (2015: 343) the epistemological position of positivist research “refers to knowledge derived from large-scale surveys, measurement items and constructs”. A valid and reliable measurement instrument that was designed to assess entrepreneur types, decision styles, strategic orientations, decision context priorities, demographic variables and small accommodation enterprise performance was

operationalised by means of an electronic survey, the responses were analysed and inferences were made and contextualised in this section. As such this study has contributed to the formal small accommodation enterprise and entrepreneurship body of knowledge from ontological and epistemological points of view.

5.5. CONTRIBUTION TO THE BODY OF KNOWLEDGE

This is the first study that empirically modelled the determinants of the business performance of small and micro accommodation enterprises in the formal sector in South Africa and therefore it makes a unique contribution to the tourism body of knowledge. The study involved the following:

- Developed and operationalised a measurement instrument;
- Modelled the co-determinants of small and micro accommodation enterprise performance; and
- Explored the decision context priorities as well as some demographic characteristics of the small and medium entrepreneurs (business owners) of the formal tourism accommodation sector in SA.

The study contributes to the development of a new measurement instrument, and provides further insights into the methodology and the research techniques that were applied. This development and successful implementation of the valid and reliable measurement instrument make a valuable contribution to the tourism body of knowledge. The findings of this study could therefore be generalised according to the identified and described proxies. The measurement instrument developed by this study could consequently also be utilised by researchers in other sectors of the South African or international tourism industries. The six-dimensional measurement instrument consisting of 105 items may be useful in other industries, nationally and internationally, in assessing the entrepreneur types, decision styles, strategic orientations and decision context variables and their contributions towards a small accommodation enterprise performance.

The main theoretical contribution of this study is the development of a unique model that illustrates how some key determinants contribute towards small accommodation enterprise performance in the formal sector in South Africa. The model that was developed by this study reveals that the following are the main determinants of small accommodation enterprise performance:

- The possession of a growth-oriented motivation to be in the business;
- The application of a cognitive decision style, and
- The application of a market strategic orientation in the tourism enterprise.

Secondly, the model clarifies the link between the Kirznerian and Schumpeterian entrepreneur types and explains how small accommodation enterprise performance is mediated by a market

strategic orientation. It means that a market strategic orientation is therefore an essential requirement for both entrepreneur types in order to achieve enterprise performance.

A growth-oriented motivation in the business is essential in having a vision for growth of the enterprise. The entrepreneur thus needs to idealise enterprise growth as a projected future goal and to align behaviours in order to achieve this goal. This model furthermore suggests that some of these behaviours have to include the application of a market strategic orientation and a cognitive decision style.

The implications and the practical application of the model are presented in the following section.

5.6. IMPLICATIONS OF THE FINDINGS

Small accommodation enterprise performance is important for wealth creation, economic growth and for the creation of new and increased employment opportunities in the market. Knowledge that entrepreneur type, a growth-oriented mindset, cognitive decision making and a market strategic orientation contribute towards small accommodation enterprise performance has benefits for stakeholders in the tourism industry. The implications of these findings on the small accommodation enterprise industry in South Africa could for instance involve the following:

- The findings of this study will guide in developing the ***mentorship programmes*** for the future and/or struggling small accommodation entrepreneurs. It will help in developing guidelines on how to improve and enhance a growth-oriented mindset; holistic aspects of hospitality management decision making; and how to engage with customers and competitors in the collection and generation of information for strategic decision making in order to optimise the enterprise performance.
- The findings will contribute in developing guidelines that will ***support new accommodation enterprise start-ups*** which should include ways of developing and maintaining a growth vision; means of performing external and internal environmental scanning in order to be market oriented and to apply rational decision-making techniques within the hospitality management domain. Rational decision making must include aspects such as planning, organising, leading and controlling of an accommodation enterprise.
- ***Developing a business model*** for an accommodation enterprise that would include procedures analysing highly competitive environments and implementing the appropriate strategy to achieve enterprise growth. Decisions on how to compete on the basis of quality, price and the differentiation of the tourism product/service offering (value proposition) should be incorporated into the business model. Based on the above mentioned criteria, accommodation entrepreneurs should therefore carefully consider how and where they will compete against rival enterprises.

- ***Risk management*** procedures can be applied by the model to reduce enterprise performance risks with a focus on growth, rational decision making and the implementation of a market strategic orientation by the business.
- The model could be used by banks, development agencies or investors to ***select future accommodation entrepreneurs*** who apply for funding.
- The model can be applied to ***performance measurement*** for entrepreneurs and employees in order to improve the enterprise performance. The model provides additional dimensions to the existing four-dimensional balanced scorecard approach for assessing enterprise performance.
- An ***induction programme*** for the new accommodation enterprise employees can be developed by using the model to orientate new employees' mindsets and behaviours with those that were identified as determinants that contribute to accommodation enterprise performance.
- The ***Tourism Grading Council*** could apply the model to assess entrepreneurs in the process of grading the accommodation establishments in the formal tourism sector.
- The ***South African Bureau of Standards*** could apply the model to develop new standards for the adaptation of old quality management standards for accommodation enterprises in the ISO 9000 and ISO 176 series.
- The small tourism accommodation enterprise in the formal sector in South Africa employs on average between five and six employees. It therefore means that for each of the new lifestyle or survival motivated accommodation enterprises that are established, it will create at least five to six new employment opportunities. Growth-orientated accommodation entrepreneurs are therefore expected to ***generate***, on average, more than five to six ***employment opportunities*** depending on the level of small accommodation enterprise performance.

5.7. MAIN LIMITATIONS OF THIS STUDY

This study was limited to South African accommodation enterprises only and the findings may not be applicable or generalised to other countries. Common method variance and response bias were concerns for previous studies similar to this study where a self-report method of data collection was applied. The results of this study should therefore be evaluated within the same context, despite the efforts that were employed by this study to control for response bias.

The lack of an accessible and reliable database of formal small and micro tourism entrepreneurs and enterprises in South Africa limits research options in this domain. A non-random sampling method was employed which poses some risks in terms of the generalisation of the study findings to the broader population of accommodation enterprises. The low response rate was typical for

studies in the small tourism enterprise domain with the associated limiting effects on the analyses and the findings.

Emotive decision style did not perform as it was expected to do despite acceptable measures of reliability and validity. This construct needs to be revised with future research initiatives.

5.8. RECOMMENDATIONS FOR FUTURE RESEARCH

The findings of this study could be extended to incorporate new developments in entrepreneurship research such as in the neuroscience domain. Neuroscience studies the human brain which is pivotal in terms of how (humans) entrepreneurs think, feel and decide. Combining the neuroscientific basis of investigations and the findings of this study for instance, could endeavour to link the areas in the brain that are typically activated when the respective Kirznerian or Schumpeterian entrepreneurs function, or which areas are activated or rely on shared brain circuitries when certain decisions are being made. The areas in the brain that are associated with creativity are different to those areas that are involved with the searching for information (opportunity alertness). Since there are different areas in the brain that are activated when performing different functions, it implies that conditioning exercises could be used to stimulate different areas in the brain. Individuals could therefore potentially be developed to be more creative and innovative or even more opportunity alert. Further research in this area is therefore suggested.

This study found strong associations between cognitive processes and information gathering, information sharing and enterprise performance. Investigations through neuroscientific methods could expose information about brain functioning that could assist the future training and education of high-performing and low-performing entrepreneurs.

A longitudinal research design should be considered to assess more dimensions of emotive decision making. The literature indicates that emotion has a substantial influence on decision making. Emotions however fluctuate and can change from one extreme to another during one day. A cross-sectional study has limitations and shortcomings with regards to the assessment and evaluation of emotion in business decisions. It is therefore recommended to consider a longitudinal research design to investigate the contribution of emotions to decision outcomes.

This study explored the factor structure of the developed measurement instrument. Future studies could for instance be employed to further explore the factor structure and aim to improve or standardise the measurement instrument in different contextual settings. The measurement instrument could for instance be applied in multiple industries or larger data bases of entrepreneurs in order to investigate how entrepreneurial decision making differs across industries or cultures within the broad South African context.

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APPENDIX A:

QUESTIONNAIRE ITEMS

Table A1: Numerical and Categorical Demographic Information

SECTION A			
Demographic information about the **business** and the **owner-manager**:			
D01	Age of the venture:		
D02	Age of owner-manager:		
D03	Years experience in tourism industry:		
D04	Number of employees:		
D05	Highest educational qualification:	1	Secondary school
		2	3 year Diploma or Degree
		3	Post graduate
		4	Other
D06	Gender:	1	Female
		2	Male
D07	Home language:	1	English
		2	Afrikaans
		3	Indigenous African
		4	Other
D08	Motivation to be in this business:	1	Survival
		2	Lifestyle
		3	Growth
D09	Region where business is located:	1	Gauteng
		2	KwaZulu Natal
		3	Western Cape
		4	Eastern Cape
		5	Nothern Cape
		6	Free State
		7	North West
		8	Limpopo
		9	Mpumalanga

Table A2: Decision Context and Small Tourism Enterprise Performance

SECTION B (a)
DECISION-MAKING CONTEXT

If you make business decisions, which of the following aspects do you consider most important and which are the least important?
Please **rank** the items in order of importance in the blocks provided. The most important would be "1" and the least important "6".
Each of the following alternatives should be allocated a unique ranking. Only one "6"; one "5"; one "4", etc...

X01	Quality of products/services	
X02	Speed of response (time)	
X03	Ethical conduct	
X04	Profit maximisation	
X05	Customer satisfaction	
X06	Impact on the natural environment	

SECTION B (b)
SMALL TOURISM ENTERPRISE PERFORMANCE (STEP)

	How did the following aspects of your business change recently?	Substantial decrease	Slight decrease	No significant change	Slight increase	Substantial increase
P01	Number of customers	1	2	3	4	5
P02	Customer spending	1	2	3	4	5
P03	Profit margin	1	2	3	4	5
P04	Number of employees	1	2	3	4	5
P05	Number of loyal (repeat) customers	1	2	3	4	5
P06	Sales revenue	1	2	3	4	5
P07	Total costs	1	2	3	4	5
P08	Employee costs	1	2	3	4	5

Table A3: Decision-making Style

SECTION C (a)							
DECISION-MAKING STYLE							
C01	I always think carefully before I decide to act						
C02	I allow myself sufficient time to think about all the consequences before I make business decisions						
C03	I always think about how positive the outcome would be before I make a decision						
C04	I have to remind myself sometimes not to think about the negative consequences of my poor business decisions						
C05	I often think about my goals and what I want to achieve						
C06	I prefer to work things out in my mind when I make important decisions						
C07	Most of my business decisions are based on logic						
C08	I rely a lot on my knowledge and experience when I make decisions						
C09	I usually take time to think how to introduce new ways of doing things						
C10	I am not impulsive at all and mostly act only after thinking about all the consequences						
E01	I rely a lot on my intuitive feelings						
E02	I do not make a final decision if everything does not feel right						
E03	When I feel stressed I do not delay my decisions to act						
E04	I make decisions even if I do not know what all the consequences would be						
E05	I take decisions based on gut feelings						
E06	I am more emotionally driven than rationally driven						
E07	I make decisions on the spur of the moment						
E08	I rely a lot on my network of relationships when I make decisions						
E09	I am prone to making errors, but it does not discourage me						
E10	My responses to situations are mostly impulsive and emotionally driven						
E11	I am a very self-confident person and do not get distracted easily						
E12	I am someone that thrives on business challenges						
E13	I sometimes have doubts about the future						
E14	I get frustrated easily when things do not work out the way I wanted them to be						
E15	I sometimes feel embarrased when my customers are neglected						

Table A4: Entrepreneur Type

SECTION C (b)							
ENTREPRENEUR TYPE							
O01	I continuously search for new information everywhere						
O02	I struggle to recognise all the business opportunities in everyday life (reverse scored)						
O03	I am always alert to recognise business opportunities around me						
O04	Recognising business opportunities is a "natural" for me						
O05	I am sensitive and alert to spot potential bussiness opportunities						
O06	I prefer to exploit well-proven business ideas rather than to create my own unique business solutions						
O07	I learn more from other successful business ideas than from trying to develop my own unique business ideas						
O08	I always deal with challenges in a proactive and competitively aggressive way						
O09	I enjoy to discover and exploit business opportunities						
O10	It suits me better to exploit well-proven business ideas than to create my own unique business opportunities						
I01	In order to compete better I prefer to create my own unique way of doing things						
I02	I always enjoy to try out new ways of doing things						
I03	I do not depend on other's solutions when I solve my own business problems						
I04	I am hesitant to experiment with new combinations when seeking for business solutions						
I05	I always rely on my own knowledge and experience when trying out new things						
I06	I experience some stress when I have to adjust or change my daily routines						
I07	If something does not work well I replace it with a solution that I create myself						
I08	I create new ways of implementing solutions						
I09	I am of the opinion that there is more than one way to solve a problem						
I10	I usually become more creative when I am challenged by certain situations						

Table A5: Strategic Orientation

SECTION C (c)							
STRATEGIC ORIENTATION							
M01	I actively collect and evaluate information about my competitors						
M02	I am aware of the performances of all my competitors						
M03	I always respond to my competitor's strategies in a challenging way						
M04	I regularly collect and share information about the market with everyone in my business						
M05	I know exactly what my customer's needs are						
M06	I perform customer satisfaction surveys continuously						
M07	I keep regular contact with all my existing customers						
M08	To know eveything about my customers is not a necessity for my business						
M09	I share all business information with all my employees						
M10	I provide access to all the resources for all the employees in my business						
M11	The coordination and synchronisation of all the functions in my business can be improved						
M12	I do not have sufficient time and resources to train all my employees regularly						
R01	I focus on quality long term relationships with everybody						
R02	I trust my customers and they trust me						
R03	I share my feelings with my customers and they share their feelings with me						
R04	My customers and I usually bond well and create long term relationships						
R05	I maintain healthy and reciprocal relationships with my customers						
R06	My customers and I mostly support the same value systems in life						
R07	I do not have enough loyal customers and therefore I have to look for new customers all the time						
R08	I do not have enough time to maintain and sustain good quality relationships with all my customers						
R09	I find it difficult to empathise with customers that I do not know that well						
R10	I try to restrict my contact with my customers to the minimum that is required						

APPENDIX B:

APPLICATION FOR ETHICAL CLEARANCE

DEPARTMENTAL ETHICS SCREENING COMMITTEE (DESC) CHECKLIST (DATA COLLECTION) To be prepared by the researcher (student researcher in consultation with supervisor/promoter) and attached to the actual research proposal, and submitted to your Departmental Chair				
Name of researcher: Prof/Dr/Mr/Ms/Other Chris (H.J.C.) van Zyl				
Department of Researcher: USB – Business School				
Title of research project: Selected performance indicators for small and micro tourism enterprises in South Africa				
If a registered SU student, degree programme: PhD Business Management and Administration				
SU staff or student number: 10590498				
Supervisor/promoter (if applicable): Prof/Dr/Mr/Ms Babita Mathur-Helm				
ETHICAL CONSIDERATIONS	**Yes**	**NS***	**No**	**ACTION REQUIRED**
1. Familiarity with ethical codes of conduct				
As researcher I have familiarised myself with the professional code(s) of ethics and guidelines for ethically responsible research relevant to my field of study as specified in the list herewith attached, AND the 'Framework policy for the assurance and promotion of ethically accountable research at Stellenbosch University'	**X**			If YES: Continue with the checklist. If NS/NO: Researcher must do so before proceeding.
2. The proposed research: (Go through the whole of Section 2)				
a) Involves gathering information directly from human subjects (individuals or groups) (e.g. by means of questionnaires, interviews, observation of subjects or working with personal data)	**Yes** **X**	**NS**	**No****	If YES: Continue with the checklist. If NO: This checklist process does not apply to the proposed research, except if 2 (b) applies.
b) Involves gathering information directly from companies, corporations, organisations, NGOs, government departments etc. that is not available in the public domain			**X**	If YES: Continue with the checklist. If NO: This checklist process does not apply to the proposed research.
c) Is linked to or part of a bio-medical research project			**X**	If YES/NS: REC clearance may be required. DESC needs to decide.
d) Involves gathering of information without consent/assent, i.e. will be conducted without the knowledge of the subjects of/participants in the research			**X**	If YES/NS: REC clearance may be required. DESC needs to decide.
e) Involves collection of identifiable information about people from available records/archival material to be collected on individuals/groups/lists with personal information			**X**	If YES/NS: REC clearance may be required. DESC needs to decide.

* NS = Not sure/Don't know

** Please note: If the "No" option is selected it does not nullify the responsibility that rests on the researcher to ensure that ethical research practices are followed throughout the research process. The onus rests on the researcher to ensure that, should any ethical issues arise throughout the research process, the necessary steps are taken to minimise and report these risks to the supervisor/promoter of the study (where relevant), the Departmental Chair , and the REC. Furthermore: If the "No" option is chosen it does not absolve the researcher to seriously consider the possible risk that the research can in some way wrongfully disadvantage research participants and/or stakeholders or deny them fundamental rights.

3. The proposed research involves the gathering of information from people in the following categories:				
a) Minors (persons under 18 years of age)	**Yes**	**NS**	**No** **X**	If YES/NS for any of these categories (a-f): REC clearance may be required. The DESC must screen the proposal/project and must refer it to the REC if the ethical risk is assessed as medium or high. Then continue with the checklist. If NO for all of these categories: Continue with the checklist.
b) People with disabilities			**X**	
c) People living with/affected by HIV/AIDS			**X**	
d) Prisoners			**X**	
e) Other category deemed vulnerable; SPECIFY here: [See Glossary of SOP for definitions.]			**X**	
f) Stellenbosch University staff, students or alumni	**Yes**	**NS**	**No** **X**	If YES/NS: REC clearance must be obtained. Complete Checklist and submit to DESC. If NO: Continue with the checklist.
4. Assessment of risk of potential harm as result of research (tick ONE appropriate YES or NS box)				
a) **Minimal risk** (for a classification of risk types, and definition, see Glossary and Addendum 3 in REC SOP)	**Yes**	**NS**	**No** **X**	If YES: Established ethical standards apply. Proceed to 5, 6 and 7 and completion of checklist. If NO/NS: Proceed to 4b).
b) **Low risk** (for a classification of risk types, and definition, see Glossary and Addendum 3 in REC SOP)	**Yes**	**NS**	**No** **X**	If YES/NS: Established ethical standards apply; researcher/ supervisor/promoter must refer the project to the DESC for further guidance. Proceed to 5, 6 and 7 and completion of checklist. If NO: Continue with the checklist.
c) **Medium risk** (for a classification of risk types, and definition, see Glossary and Addendum 3 in REC SOP)	**Yes**	**NS**	**No** **X**	If YES/NS: REC clearance must be obtained; the research project must be referred to the REC. Proceed to 5, 6 and 7 and completion of checklist. If NO: continue with the checklist.
d) **High risk** (for a classification of risk types, and definition, see Glossary and Addendum 3 in REC SOP)	**Yes**	**NS**	**No** **X**	If YES/NS: REC clearance must be obtained; the research project must be referred to the REC. Proceed to 5, 6 and 7 and completion of checklist. If NO: Continue with the checklist.
5. The proposed research involves processes regarding the selection of participants in the following categories:				
a) Participants that are subordinate to the person doing the recruitment for the study	**Yes**	**NS**	**No** **X**	If YES: REC clearance may be required. The DESC must assess and advise. If NO: Continue with the checklist.
b) Third parties are indirectly involved because of the person being studied (e.g. family members of HIV patients, parents or guardians of minors, friends)	**Yes**	**NS**	**No** **X**	If YES: REC clearance may be required. The DESC must assess and advise. If NO: Continue with the checklist.

6. Steps to ensure established ethical standards are applied (regardless of risk assessment)				
a) **Informed consent**: Appropriate provision has been/will be made for this (either written or oral)	**Yes** **X**	**NS**	**No**	If YES: Develop & apply protocols and clear with DESC. Continue with checklist. If NS/NO: Attach justification & refer proposal to DESC for further assessment and advice.
b) **Voluntary participation:** Respondents/informants will be informed, inter alia, they have the right to refuse to answer questions and to withdraw from participation at any time	**X**			
c) **Privacy**: Steps will be taken to ensure personal data of informants will be secured from improper access	**X**			
d) **Confidentiality and anonymity:** Confidentiality of information and anonymity of respondents/informants will be maintained unless explicitly waived by respondent.	**X**			
e) **Training:** research assistants/ fieldworkers will be used to collect data, and ethics awareness will be included in their training			**X**	
f) **Mitigation of potential risk**: Likelihood that mitigation of risk of harm to participants is required is medium/high, and appropriate steps have been/will be taken (e.g. referral for counselling)	**Yes**	**NS**	**No** **X**	If YES/NS: Develop protocols for submission to DESC. Continue with checklist. If NO: Proceed with checklist.
g) **Access:** Institutional permission is required to gain access to participants and has been/will be secured. Specify here from whom: [If the permission letter required is available, submit it to the DESC. If it is not available, apply for it immediately and indicate to the DESC when it will be expected.]	**Yes**	**NS**	**No** **X**	If YES: Develop application for authorisation, clear with DESC & apply. Continue with checklist. If NS: Refer proposal to DESC for assessment and advice. Continue to 6 (h). If NO: Proceed to 6 (h).
h) **Accountability research***: Institutional permission to gain access to participants poses an obstacle to conduct the research.	**Yes**	**NS**	**No** **X**	If YES/NS: Refer proposal to DESC for assessment and advice. Continue with checklist. If NO: continue with checklist.
i) **Public availability of instruments to gather data**: [When applicable] Are the instruments that will be used to gather data available in the public domain?	**Yes**	**NS**	**No** **X**	If YES or not applicable: proceed with checklist. If NS/NO: Obtain permission to use the instrument(s) and submit letters of permission with the proposal to DESC for assessment and advice Continue with checklist..
j) **Use of psychological tests**: [When applicable] Are the instruments that will be used to gather data classified by law as psychological tests?	**Yes**	**NS**	**No** **X**	If YES/NS: Indicate who will administer these tests, and whether they are appropriately registered and adequately trained to do so. Provide registration number and professional body. Continue with checklist. If NO or not applicable: Proceed with checklist.
k) **Protecting data from unauthorised access**: Are appropriate measures in place to protect data from unauthorized access? If yes, specify what the measures are:	**Yes** **X**	**NS**	**No**	If YES: Specify and proceed with checklist. If NO/NS: Develop and put in place appropriate measures. Continue with checklist.

l) **Unexpected information**: If unexpected, unsolicited data is revealed during the process of research, data will be kept confidential and will only be revealed if required by law.	**Yes** **X**	**NS**	**No**	If YES: Proceed with checklist. If NO/NS: Consult on this matter with DESC. Continue with checklist.
m) **Emergency situations**: If an unexpected emergency situation is revealed during the research, whether it is caused by my research or not, it will immediately be reported to my supervisor/promoter and Departmental Chair for further advice.	**Yes** **X**	**NS**	**No**	If YES: Proceed with checklist. If NO/NS: Consult on this matter with DESC. Continue with checklist.
n) **Permission to use archival data**: [When applicable] Is permission granted from the custodian of the archive to use it.	**Yes**	**NS**	**No** **X**	If YES: Proceed with checklist. If NO/NS: Consult on this matter with DESC. Continue with checklist.
o) **The archive itself does not pose problems**: [When applicable] The initial conditions under which the archive originated allow you as a third party researcher to use the material in the archive.	**Yes**	**NS**	**No** **X**	If YES, proceed with checklist. If NO/NS: Consult on this matter with DESC. Continue with checklist.
7. Conflict of interest				
Is the researcher aware of any actual or potential conflict of interest in his/her proceeding with this research?	**Yes**	**NS**	**No** **X**	If YES/NS: Identify concerns, attach details of steps to manage them, and refer to DESC for assessment and advice. If NO: No further action required, except signing the declaration and the checklist, and submitting it to the DESC with supporting documentation.

DECLARATION BY RESEARCHER:

I hereby declare that I will conduct my research in compliance with the professional code(s) of ethics and guidelines for ethically responsible research relevant to my field of study as specified in the list herewith attached, AND the 'Framework policy for the assurance and promotion of ethically accountable research at Stellenbosch University', even if my research poses minimal or low ethical risk.

Print name of Researcher: HJC van Zyl	**Signature of Researcher**
Date: 22nd January 2014	
Print name of Supervisor: Dr B. Mathur-Helm	**Signature of Supervisor**
Date:	

APPENDIX C:

ETHICAL CLEARANCE APROVAL LETTER

University of Stellenbosch Business School
Address: PO Box 610 Bellville 7535 Carl Cronjé Drive Bellville 7530
Tel: +27 (0)21 918 4111 **Fax:** +27 (0)21 918 4468
Email: usbcom@usb.ac.za **Website:** www.usb.ac.za

Chris Van Zyl Approved letter 29 September 2014

Dear Chris

Re: Ethical screening application: PhD Business Management & Administration study: Chris Van Zyl
(BD180/Approved)

Research: Selected performance indicators for small and micro tourism enterprises in South Africa

Supervisor: Dr Babita Mathur-Helm

The Departmental Ethics Screening Committee of the University of Stellenbosch Business School (USB DESC) reviewed your application for the above-mentioned research. The research as set out in the application has been approved.

We would like to point out that you, as researcher, are obliged to maintain the ethical integrity of your research, adhere to the ethical guidelines of Stellenbosch University, and remain within the scope of your research proposal and supporting evidence as submitted to the USB DESC. Should any aspect of your research change from the information as presented to the USB DESC, which could have an effect on the possibility of harm to any research subject, you are under the obligation to report it immediately to your supervisor. Should there be any uncertainty in this regard, you have to consult with the USB DESC.

We wish you success with your research, and trust that it will make a positive contribution to the quest for knowledge at the USB and Stellenbosch University.

Sincerely
Prof Basil C. Leonard
Chair: USB Departmental Ethics Screening Committee
021 918 4250

Please note: Should any research subject, participating organisation, or person affected by this research have any query about the research, they should feel free to contact any of the following:

Researcher : zylplex@gmail.com
Supervisor : Babita.Mathur-Helm@usb.ac.za
USB DESC Chair : Basil.Leonard@usb.ac.za

APPENDIX D:
LETTER OF APPROACH

Dear Participant

I would hereby like to invite you to complete a survey for which a link is provided below. The purpose of this survey is to study some dimensions of entrepreneurial leader decision-making and how the latter relate to selected strategic orientations and small tourism enterprise performance. The findings of this study could provide enriching perspectives on the small tourism enterprise performance phenomenon with specific reference to some decision-making criteria and tourism enterprise performance relationships. Owner-managers of small accommodation enterprises in South Africa may benefit by improving their understanding and aligning their respective decision-making strategies to the suggested criteria for optimum enterprise performance. Policy makers as well as educational institutions may also benefit from the study outcomes by structuring educational programmes for entrepreneurial leader training purposes within small tourism enterprise context.

I am doing this study as part of obtaining a PhD in Business Management and Administration from the University of Stellenbosch Business School. My student number is 10590498 and the supervisor of my research is Dr Babita Mathur-Helm.

Please note that your participation is entirely voluntary and you are free to decline to participate in this survey.

This study has been approved by the University of Stellenbosch Business School Departmental Ethics Screening Committee (Ref No. BD180) and will be conducted according to accepted and applicable national and international ethics guidelines and principles. The survey is anonymous and response data will only be analysed at aggregate level.

If you have any questions or concerns about this study, please feel free to contact me at zylplex@gmail.com or my supervisor at Babita.Mathur-Helm@usb.ac.za.

If you are willing to participate and complete the electronic survey, please click on the link at the bottom of this email.

Kindly complete the survey within 10 days of receiving this request.

It will not take you more than 20 minutes to complete the questionnaire.

RIGHTS OF RESEARCH PARTICIPANTS: You may withdraw your consent at any time and discontinue participation without penalty. You are not waiving any legal claims, rights or remedies because of your participation in this research study. If you have questions regarding your rights as a research subject, contact Ms Maléne Fouché [mfouche@sun.ac.za; 021 808 4622] at the Division for Research Development.

Best regards

Chris (HJC) van Zyl

Click **here** to take the survey.

APPENDIX E:
COMPLETING THE QUESTIONNAIRE

This online survey is **anonymous** and all your responses would be regarded and treated as **confidential**. You are therefore requested not to provide any name or address or any other personal information on the survey feedback mechanism. In this way your response would not be able to be traced to any individual or specific business. Section A of the survey requires you to provide some *demographic* information about the owner-manager (or the main decision-maker of your business) and then also some aspects of the business itself.

Section B of this survey contains one subsection with six Decision-making Context priorities. You are required to rank the six listed priorities according to your own general business decision making criteria of importance. Section B also contains another subsection listing eight aspects that could contribute towards your small Tourism Enterprise Performance. You are requested to select one of five available options to describe how your tourism enterprise performed on each aspect during the last year.

Section C contains statements on the following: Decision Making Style; Entrepreneurial Type and Strategic Orientations. You are required to select one of seven available options that best describe your own position or your own perception of yourself relative to each of the listed statements.

There is no right or wrong answer to any of the items in this survey. The researcher is only interested in your own opinion on each of the statements in the survey. A free and frank response to each of the listed items will therefore be most helpful to the researcher. It will take approximately 20 minutes to complete this survey.

Complete the online survey ***within 10 days*** of receiving this request please.

APPENDIX F:

DESCRIPTIVE STATISTICS

Table F1: Descriptive statistics of the numerical demographic variables

Parameter (n = 151)	Age of the venture	Age of the owner-manager	Years' experience in the industry	Number of employees
Mean	14.03311	56.81457	13.97351	5.75497
Median	12	57	12	4
Minimum	1	25	1	0
Maximum	80	76	35	40
Lower quartile	10	49	10	3
Upper quartile	17	65	20	7
Range	79	51	34	40
Quartile range	7	16	10	4
Variance	91.1522	109.9254	53.1993	33.8796
Standard deviation	9.54737	10.48453	7.29378	5.82061
Coefficient of variation	68.0346	18.4539	52.1972	101.1407
Skewness	3.673695	-0.437150	0.416943	3.569764
Kurtosis	19.47801	-0.24225	-0.23947	16.50272

Table F2: Frequencies of "Age of the venture"

Category	Count	% of Cases
0 – 10 years	62	41.06
11 – 20 years	75	49.67
21 – 30 years	9	5.96
31 – 40 years	1	0.66
41 – 50 years	1	0.66
51- 60 years	2	1.32
61 – 70 years	0	0
71 – 80 years	1	0.66
Total	**151**	**100**

Table F3: Frequencies of "Age of owner-manager"

Category	Count	% of Cases
20 – 30 years	2	1.32
31 – 40 years	8	5.30
41 – 50 years	33	21.85
51 – 60 years	43	28.48
61 – 70 years	54	35.76
71- 80 years	11	7.28
Total	**151**	**100**

Table F4: Frequencies of "Years' experience in the industry"

Category	Count	% of Cases
0 – 5 years	18	11.92
6 – 10 years	42	27.82
11 – 15 years	35	23.18
16 – 20 years	30	19.87
21 – 25 years	19	12.58
26 - 30 years	4	2.65
31 – 35 years	3	1.99
Total	**151**	**100**

Table F5: Frequencies of "Number of employees"

Category	Count	% of Cases
-5 - 0	5	3.31
1 – 5	96	63.58
6 – 10	37	24.50
11 – 15	7	4.64
16 – 20	1	0.66
21 - 25	3	1.99
35 – 40	2	1.32
Total	**151**	**100**

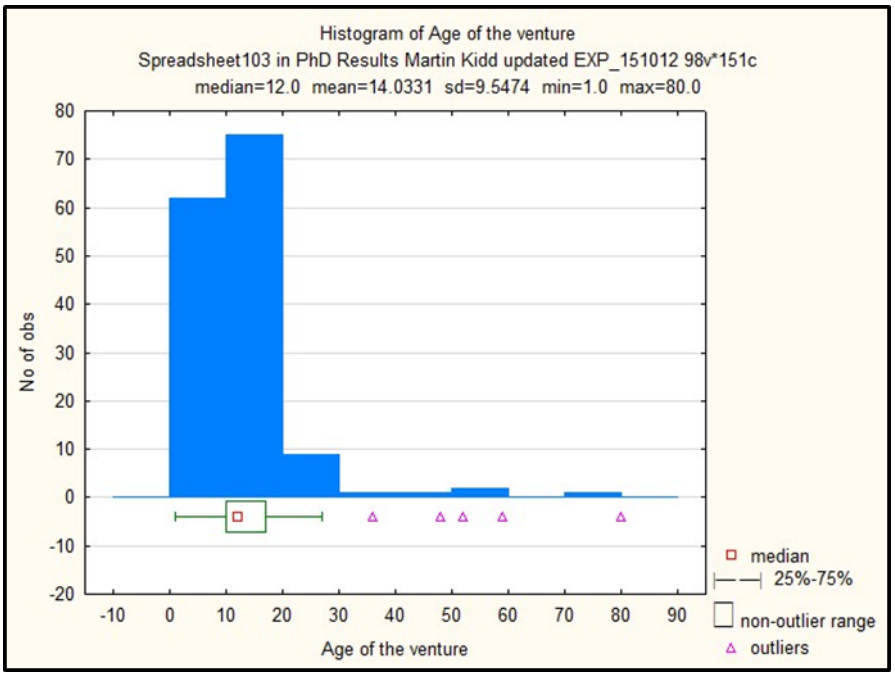

Figure F1: Age of the Venture Distribution

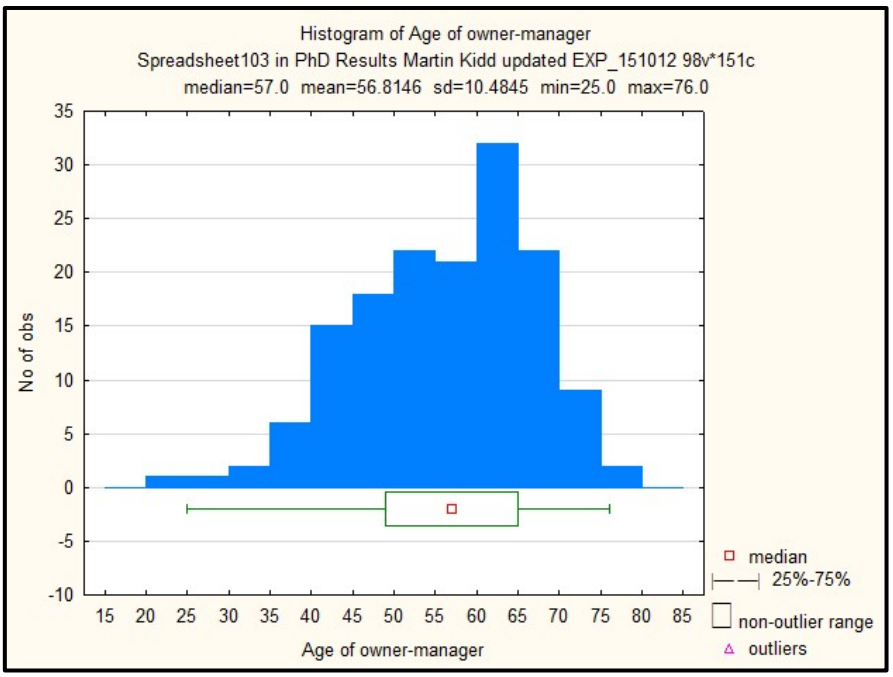

Figure F2: Age of the Owner-Manager Distribution

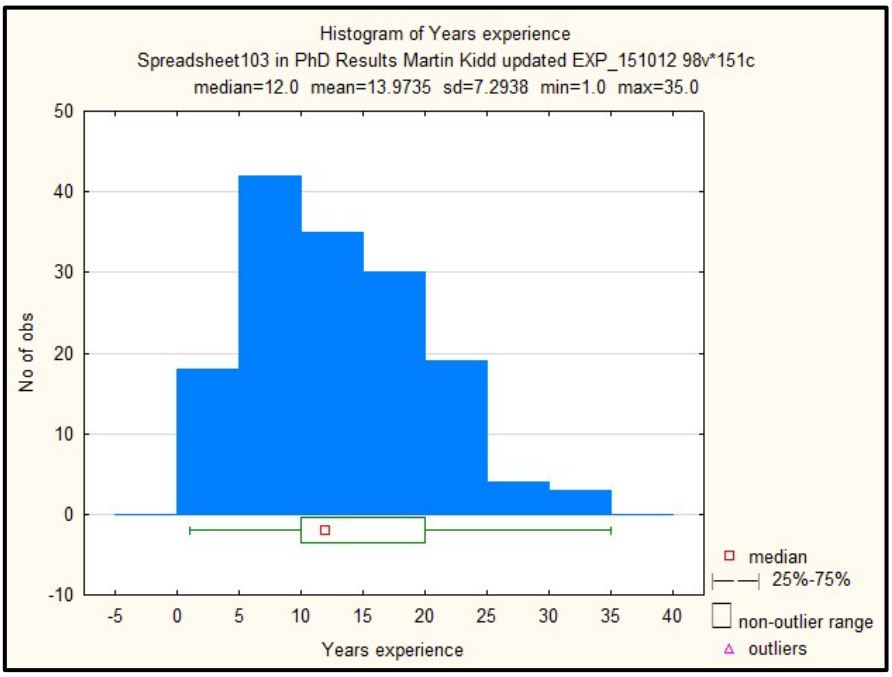

Figure F3: Years Experience Distribution

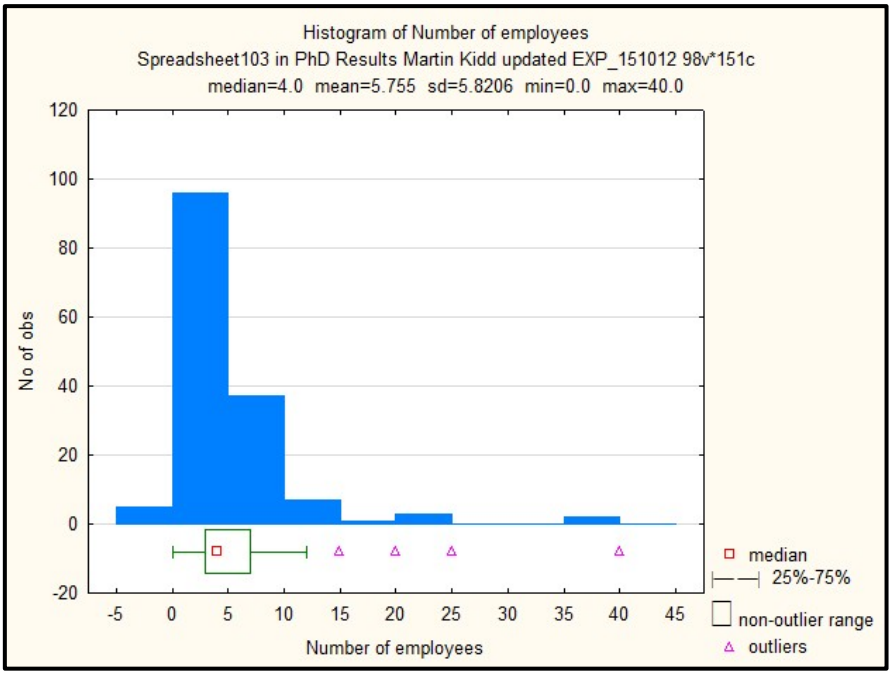

Figure F4: Number of Employees Distribution

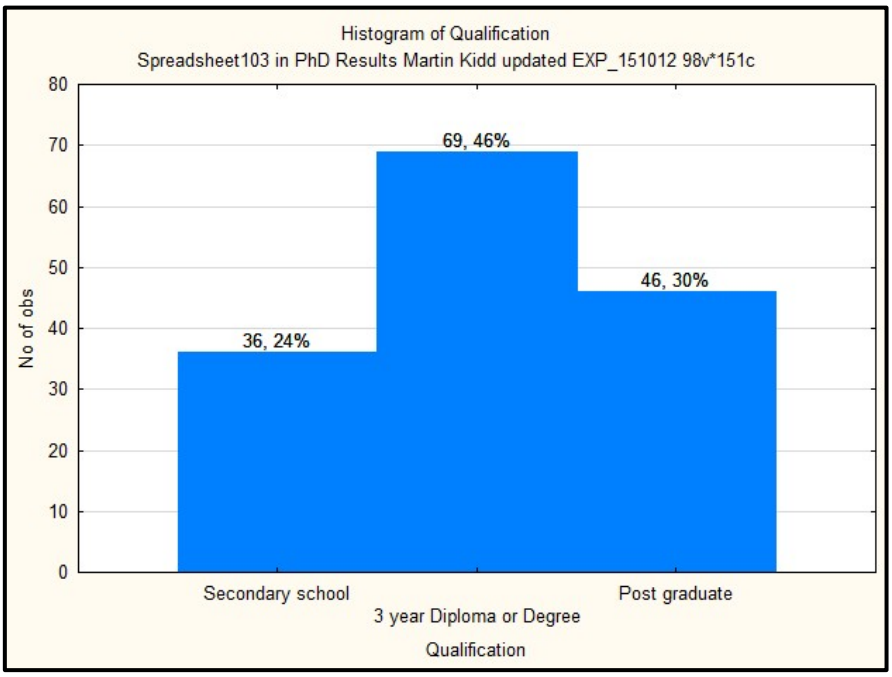

Figure F5: Qualification Distribution

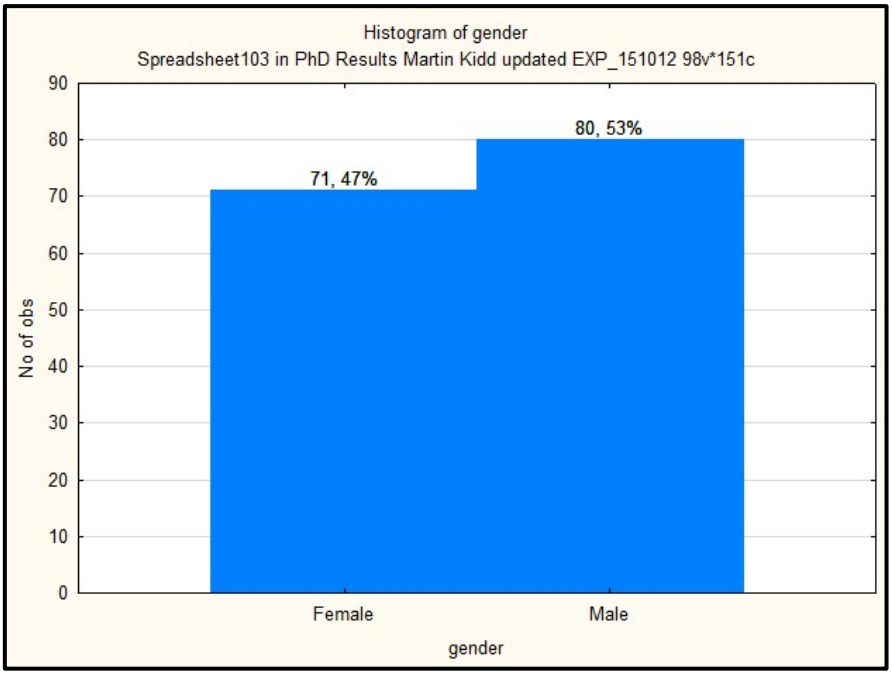

Figure F6: Gender Distribution

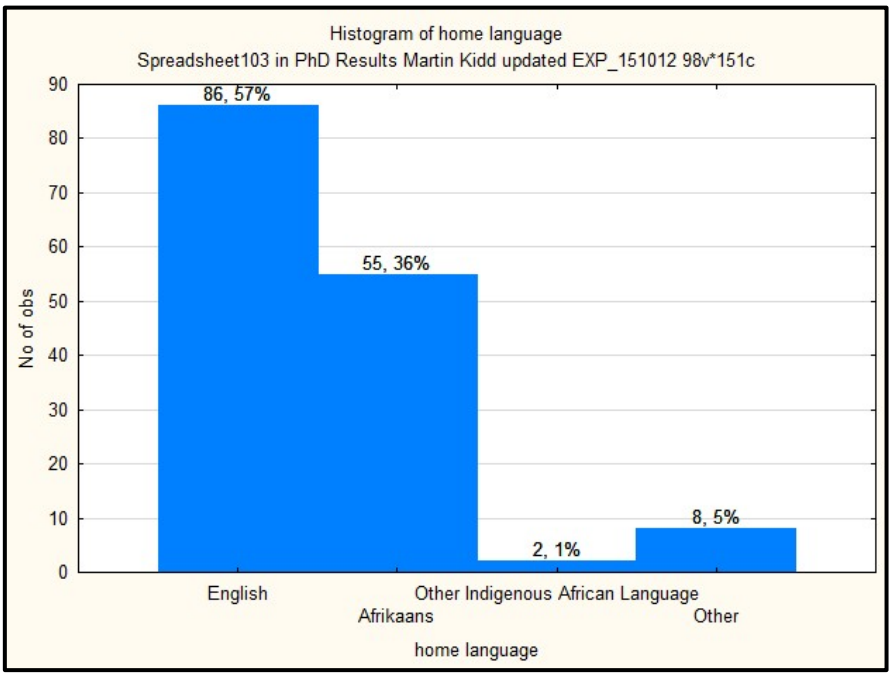

Figure F7: Home Language Distribution

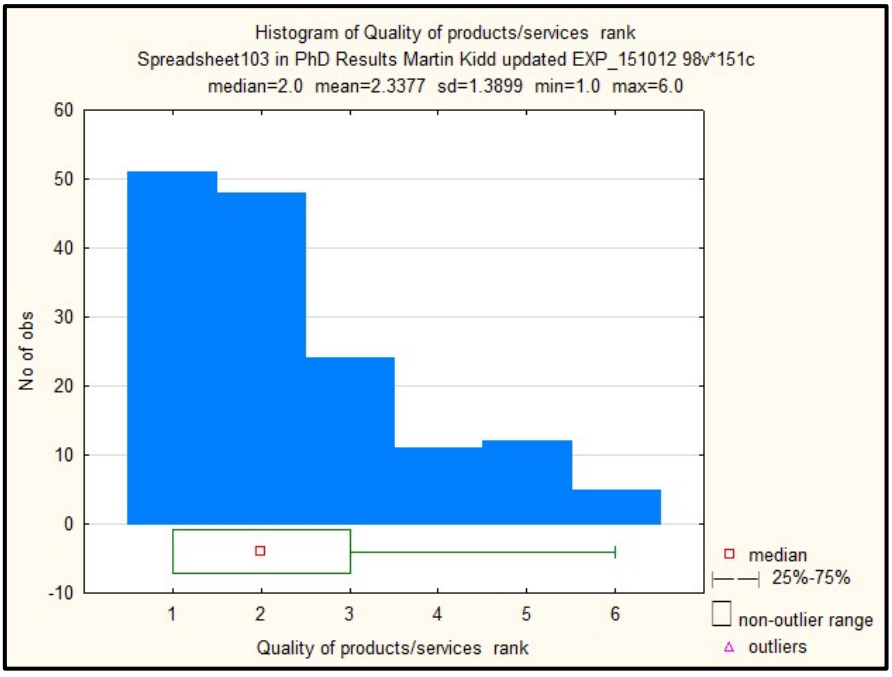

Figure F8: Quality Distribution

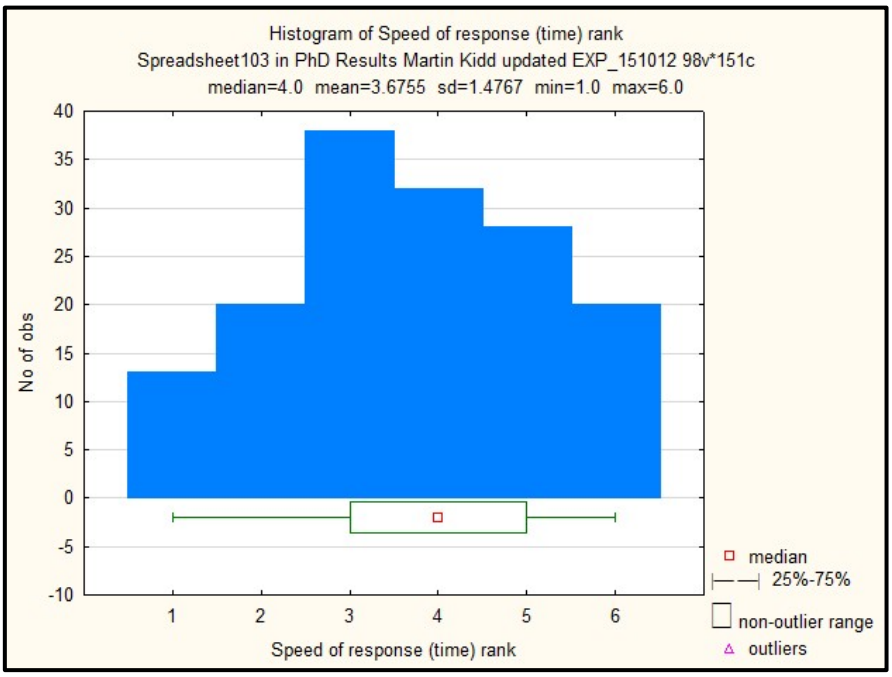

Figure F9: Speed of Response (Time) Distribution

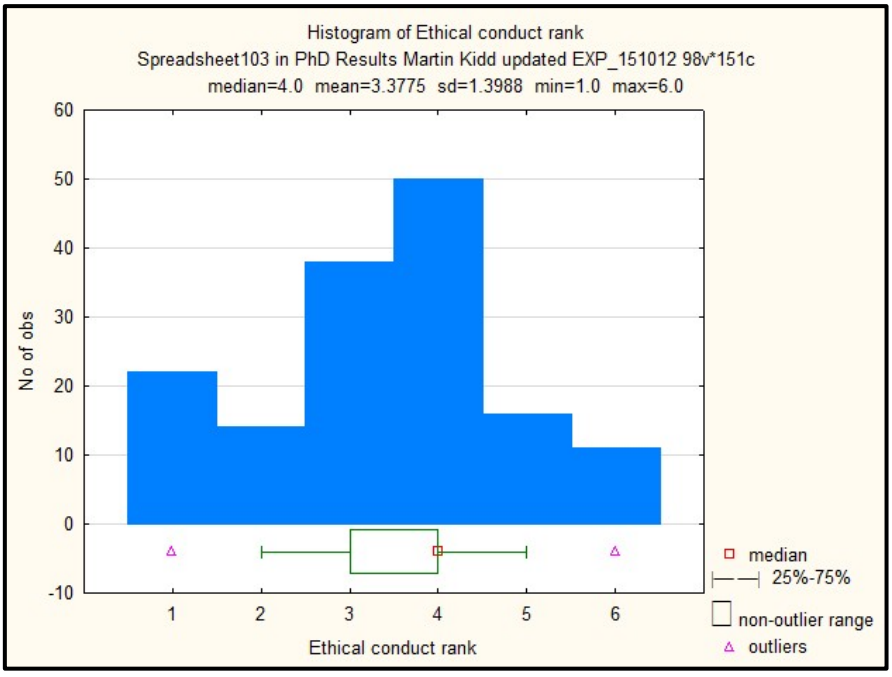

Figure F10: Ethical Conduct Distribution

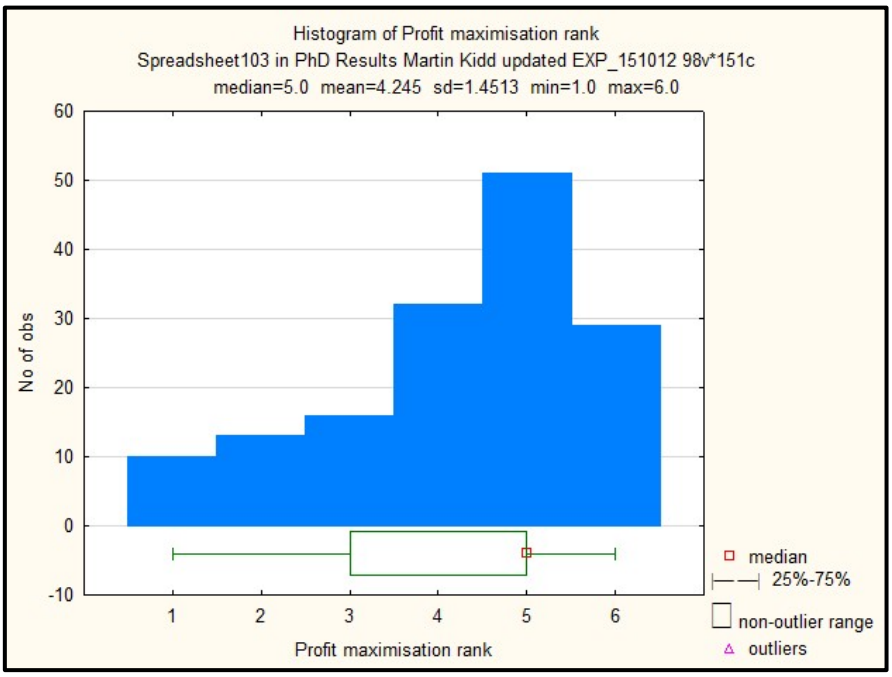

Figure F11: Profit Maximisation Distribution

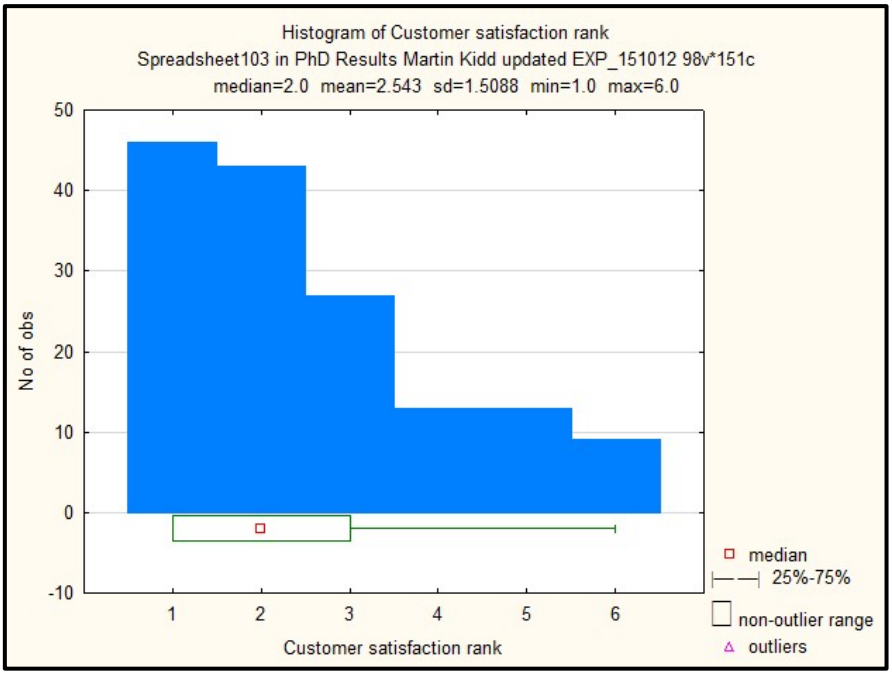

Figure F12: Customer Satisfaction Distribution

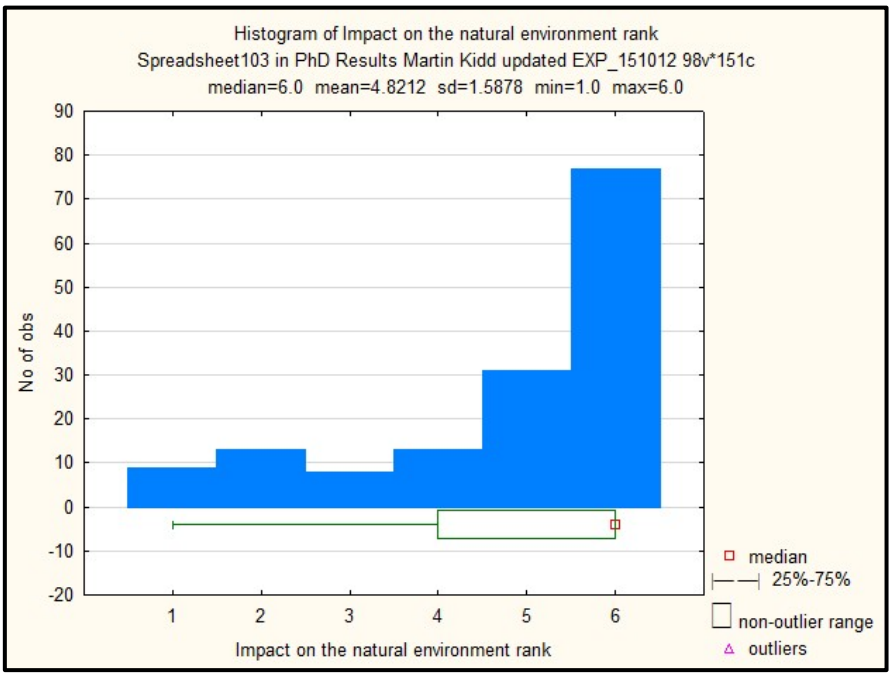

Figure F13: Impact on the Natural Environment Distribution

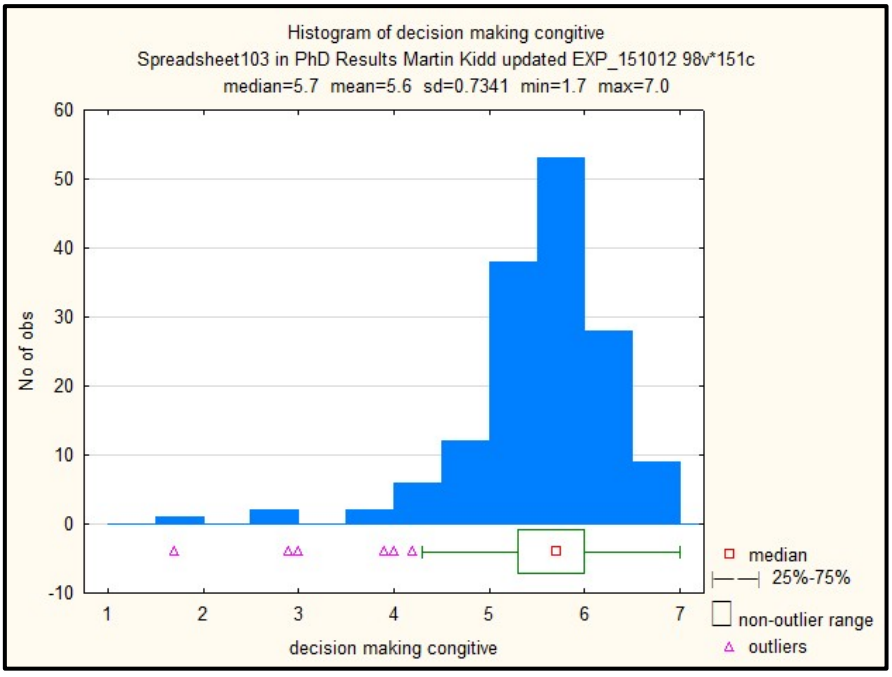

Figure F14: Cognitive Decision-making Distribution

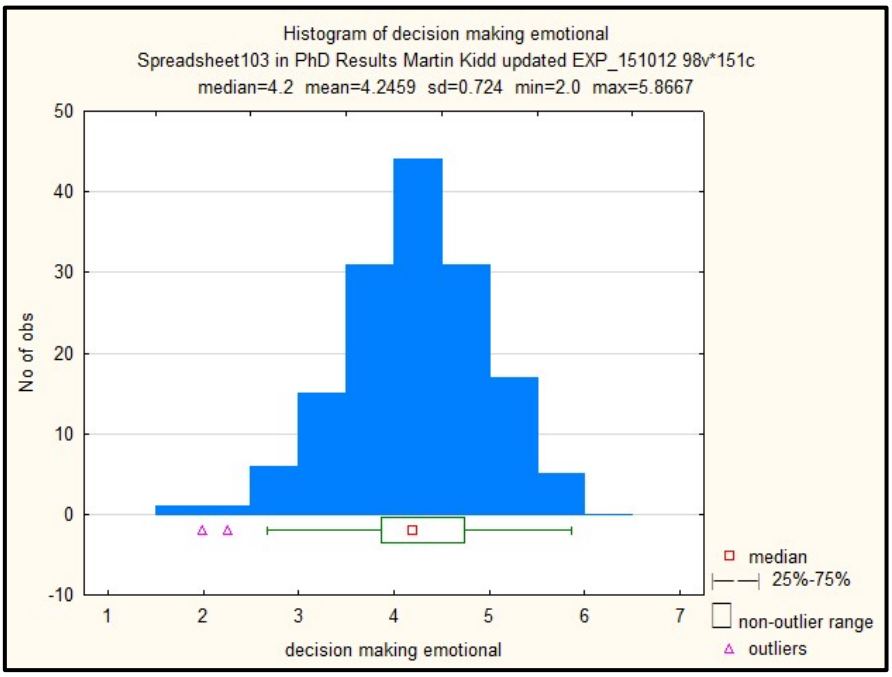

Figure F15: Emotive Decision-making Distribution

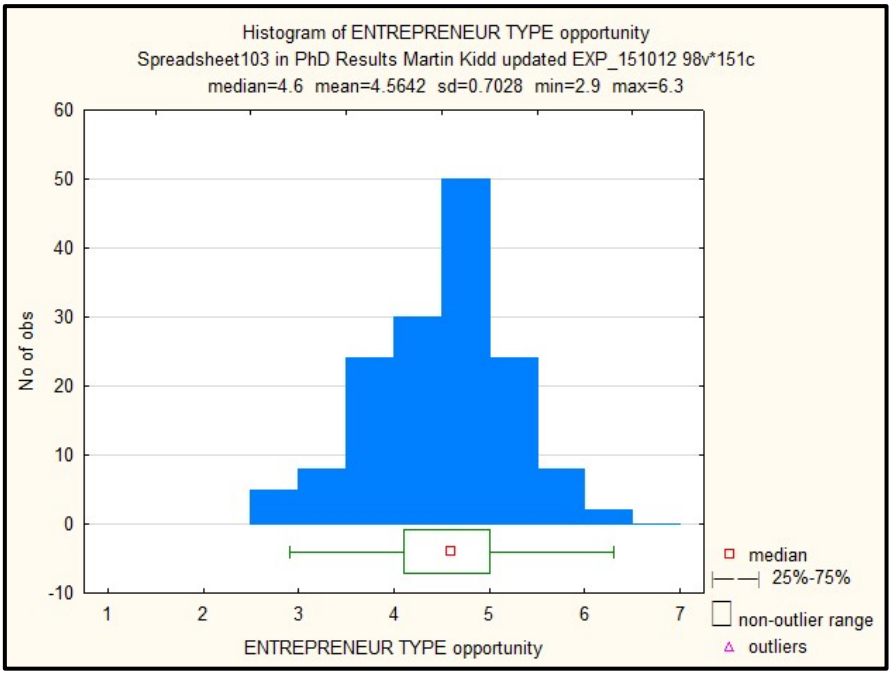

Figure F16: Opportunity Alertness Distribution

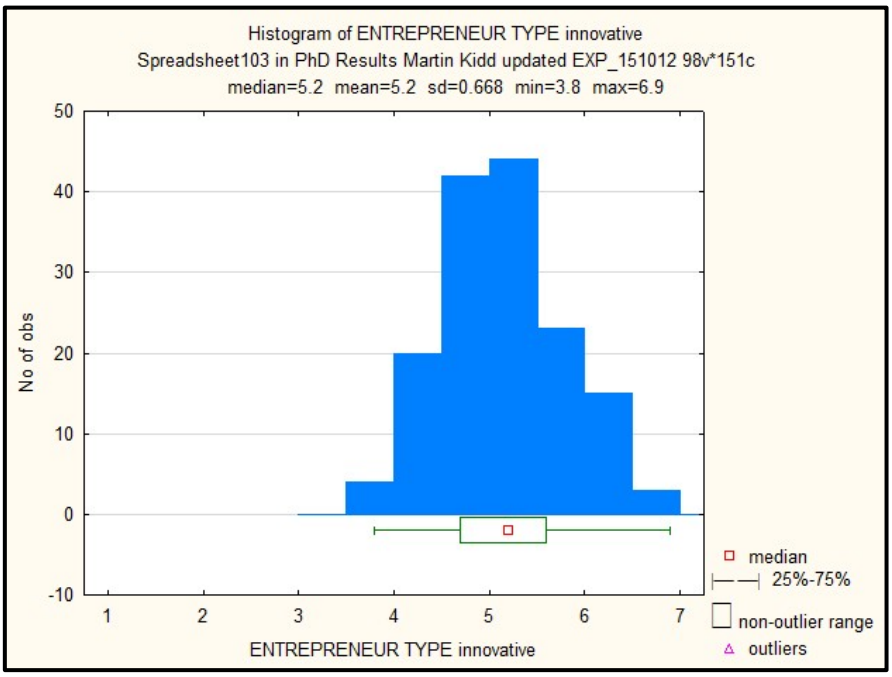

Figure F17: Innovative/Creative Distribution

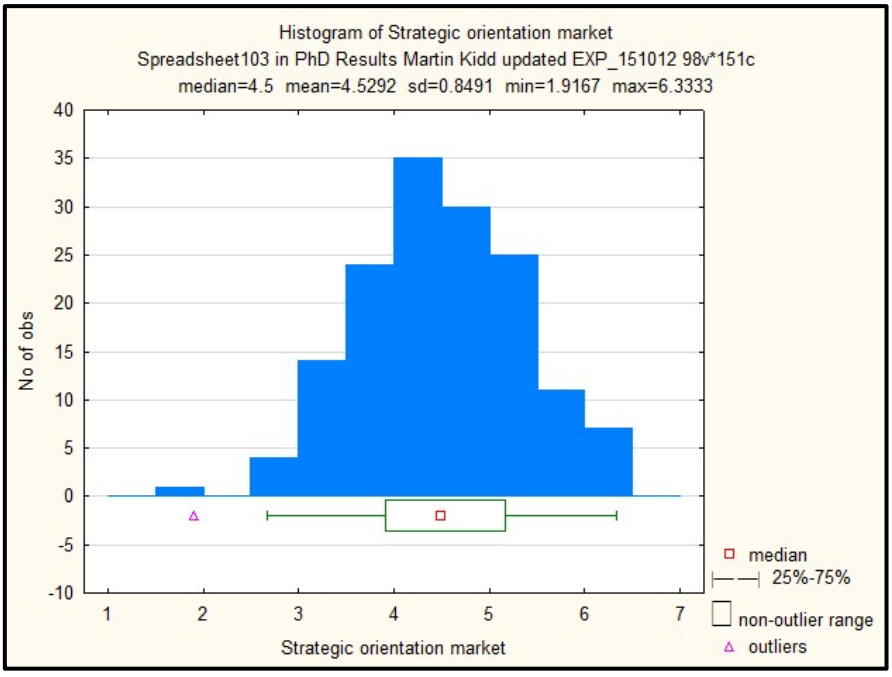

Figure F18: Market Strategic Orientation Distribution

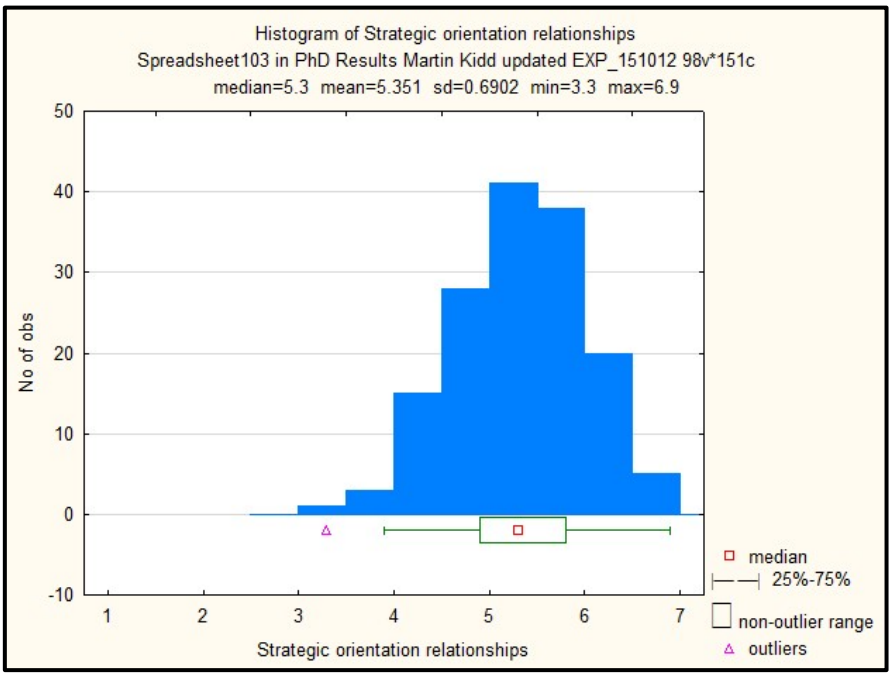

Figure F19: Relationship Strategic Orientation Distribution

Table F6: Descriptive statistics of Performance variables

Variable	Mean	Median	Mode	Variance	StdDev	CoefVar	Skewness	Kurtosis
P01	3.70860	4	4	1.3545	1.1638	31.382	-0.902	0.0624
P02	3.35099	4	4	1.1493	1.0720	31.992	-0.576	-0.1362
P03	3.17218	3	4	1.2501	1.1181	35.247	-0.491	-0.6079
P04	3.15894	3	3	0.4279	0.6541	20.707	0.115	1.7567
P05	3.79470	4	4	0.7642	0.8742	23.037	-0.496	0.2587
P06	3.61589	4	4	1.0914	1.0447	28.892	-0.845	0.4244
P07	4.18543	4	4	0.6987	0.8358	19.971	-1.263	2.2438
P08	4.00662	4	4	0.5532	0.7438	18.565	-0.995	2.6641

Table F7: Descriptive statistics of Cognitive Decision-making variables

Variable	Mean	Median	Mode	Variance	StdDev	CoefVar	Skewness	Kurtosis
C01	5.9933	6	6	1.1399	1.0676	17.814	-2.251	7.149
C02	5.9072	6	6	0.9913	0.9956	16.854	-1.701	4.410
C03	6.0000	6	6	0.7600	0.8717	14.529	-1.284	3.354
C04	4.0927	4	5	3.1113	1.7639	43.098	-0.223	-1.154
C05	5.6291	6	6	2.0082	1.4171	25.174	-1.398	1.750
C06	5.9139	6	6	1.2658	1.1251	19.024	-1.479	2.876
C07	5.7417	6	6	1.6995	1.3036	22.704	-1.3017	1.285
C08	6.1258	6	6	0.9107	0.9543	15.578	-2.400	10.135
C09	5.5629	6	6	1.5943	1.2626	22.698	-1.220	1.198
C10	5.0331	6	6	2.5655	1.6017	31.823	-0.695	-0.663

Table F8: Descriptive statistics of Emotive Decision-making variables

Variable	Mean	Median	Mode	Variance	StdDev	CoefVar	Skewness	Kurtosis
E01	5.2317	5	5	2.2725	1.5075	28.814	-0.899	0.278
E02	5.5430	6	6	2.2364	1.4954	26.979	-1.169	0.682
E03	4.1788	5	5	2.9611	1.7207	41.179	-0.209	-0.964
E04	3.6622	4	5	3.2251	1.7958	49.037	-0.054	-1.294
E05	3.8543	4	5	3.3786	1.8381	47.689	-0.037	-1.190
E06	3.019	3	2	2.7262	1.6511	54.675	0.580	-0.826
E07	3.0860	3	2	2.7192	1.6490	53.433	0.294	-1.248
E08	4.3377	5	5	3.1584	1.7772	40.970	-0.263	-1.138
E09	3.4105	3	2	2.9369	1.7137	50.247	0.411	-0.934
E10	2.4900	2	Multiple	2.2782	1.5093	60.616	1.092	0.531
E11	5.1986	5	6	1.6935	1.3013	25.032	-0.872	0.668
E12	5.2185	5	5	2.1585	1.4692	28.153	-0.768	0.050
E13	4.5298	5	5	3.1974	1.7881	39.474	-0.563	-0.818
E14	4.4172	5	5	2.6714	1.6344	37.001	-0.333	-0.992
E15	5.5099	6	7	3.1049	1.7620	31.979	-1.283	0.751

Table F9: Descriptive statistics of Opportunity Alertness variables

Variable	Mean	Median	Mode	Variance	StdDev	CoefVar	Skewness	Kurtosis
O01	5.4238	6	6	2.0191	1.4209	26.198	-1.192	1.278
O02 (r)	4.2185	4	3	2.5185	1.5870	37.619	-0.071	-1.077
O03	4.9801	5	5	1.8862	1.3734	27.577	-0.714	-0.072
O04	4.5629	5	5	2.3410	1.5300	33.532	-0.296	-0.739
O05	4.8410	5	5	1.9479	1.3956	28.829	-0.696	-0.029
O06	3.7218	4	3	2.0954	1.4475	38.893	0.123	-1.049
O07	4.0264	4	5	2.3192	1.5229	37.822	-0.182	-0.898
O08	4.8609	5	5	1.8671	1.3664	28.110	-0.650	0.007
O09	5.0860	5	5	1.8925	1.3756	27.048	-0.841	0.426
O10	3.9205	4	5	2.0203	1.4213	36.254	-0.168	-0.848

Table F10: Descriptive statistics of Innovative/Creative variables

Variable	Mean	Median	Mode	Variance	StdDev	CoefVar	Skewness	Kurtosis
I01	5.1854	5	6	1.7120	1.3084	25.233	-0.892	0.339
I02	5.2119	5	6	1.5681	1.2522	24.026	-0.842	0.567
I03	5.0331	5	6	1.9255	1.3876	27.570	-0.651	-0.326
I04 (r)	4.5430	5	5	2.1431	1.4639	32.223	-0.292	-0.820
I05	4.9072	5	6	2.1246	1.4576	29.703	-0.661	-0.424
I06 (r)	3.9867	4	3	3.0264	1.7396	43.636	0.043	-1.216
I07	5.5033	6	6	1.0916	1.0448	18.985	-0.808	0.655
I08	5.4105	6	6	1.1102	1.0537	19.474	-1.164	3.098
I09	6.2450	6	7	0.5862	0.7656	12.260	-0.810	0.766
I10	5.9735	6	6	0.8126	0.9014	15.090	-0.888	1.008

Table F11: Descriptive statistics of Market Orientation variables

Variable	Mean	Median	Mode	Variance	StdDev	CoefVar	Skewness	Kurtosis
M01	4.7615	5	6	2.9827	1.7270	36.270	-0.7737	-0.399
M02	4.6357	5	6	3.0731	1.7530	37.815	-0.6170	-0.843
M03	4.1920	5	5	2.7695	1.6641	39.698	-0.3363	-0.943
M04	4.5562	5	5	2.8884	1.6995	37.301	-0.4776	-0.834
M05	5.7814	6	6	0.8119	0.9010	15.585	-0.8826	1.846
M06	4.6556	5	6	3.3339	1.8259	39.219	-0.5029	-0.878
M07	4.6754	5	5	2.8606	1.6913	36.174	-0.4916	-0.891
M08 (r)	4.0066	4	3	3.4066	1.845	46.066	0.1062	-1.264
M09	3.9139	4	Multiple	3.2525	1.8034	46.078	-0.0010	-1.188
M10	4.1125	4	5	3.3005	1.8167	44.175	-0.1289	-1.099
M11	4.9668	5	5	1.6855	1.2982	26.138	-0.7714	0.256
M12 (r)	4.0927	4	3	3.2180	1.7938	43.831	0.0697	-1.176

Table F12: Descriptive statistics of Relationship Orientation variables

Variable	Mean	Median	Mode	Variance	StDv.	CVar.	Skewness	Kurtosis
R01	6.1456	6	6	0.6986	0.8358	13.600	-1.391	3.715
R02	6.0132	6	6	0.8264	0.9091	15.118	-1.213	1.926
R03	4.6490	5	6	2.7359	1.6540	35.579	-0.543	-0.517
R04	5.7019	6	6	1.1172	1.0570	18.537	-0.819	0.629
R05	5.6887	6	6	1.0024	1.0012	17.600	-1.198	2.894
R06	5.0066	5	6	1.8732	1.3686	27.337	-0.802	0.500
R07 (r)	4.8940	6	6	3.0820	1.7555	35.871	-0.727	-0.567
R08 (r)	4.6953	5	6	2.8799	1.6970	36.142	-0.308	-1.029
R09 (r)	5.2052	6	6	2.4175	1.5548	29.870	-0.876	-0.076
R10 (r)	5.5099	6	6	2.3982	1.5486	28.106	-1.093	0.208

APPENDIX G:

INFERENTIAL STATISTICS

Table G1: LS Means – STEP with first & last quartile responses

group; LS Means (Spreadsheet103 in resultate.stw)
Current effect: F(1, 80)=.87192, p=.35323
Effective hypothesis decomposition

	group	performance (Mean)	performance (Std.Err.)	performance (-95.00%)	performance (+95.00%)	N
1	first 25%	3.700000	0.107667	3.485736	3.914264	40
2	last 25%	3.559524	0.105072	3.350424	3.768624	42

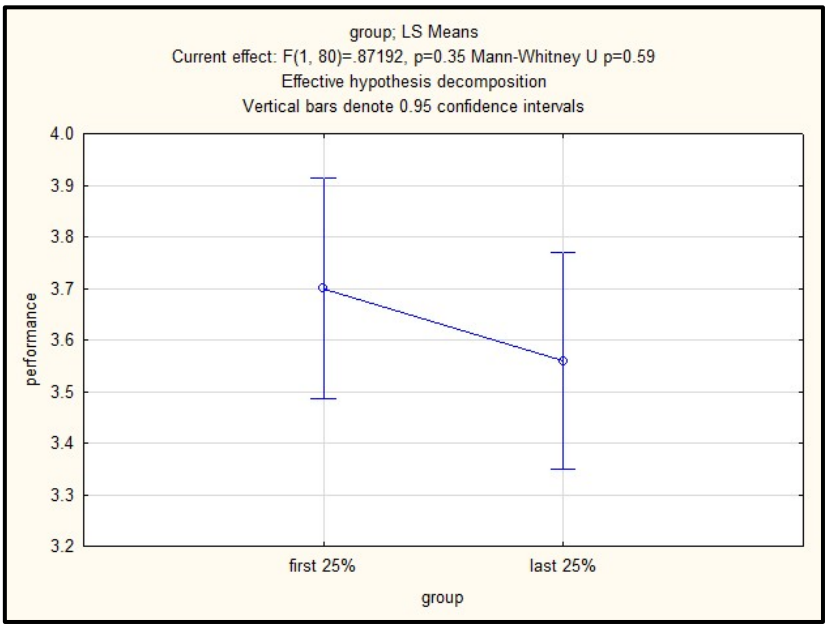

Figure G1: LS Means – STEP with first & last quartile responses

Table G2: LS Means – CDS with first & last quartile responses

group; LS Means (Spreadsheet103 in resultate.stw)
Current effect: F(1, 80)=.04395, p=.83449
Effective hypothesis decomposition

	group	CDS (Mean)	CDS (Std.Err.)	CDS (-95.00%)	CDS (+95.00%)	N
1	first 25%	5.497500	0.130463	5.237870	5.757130	40
2	last 25%	5.535714	0.127319	5.282341	5.789088	42

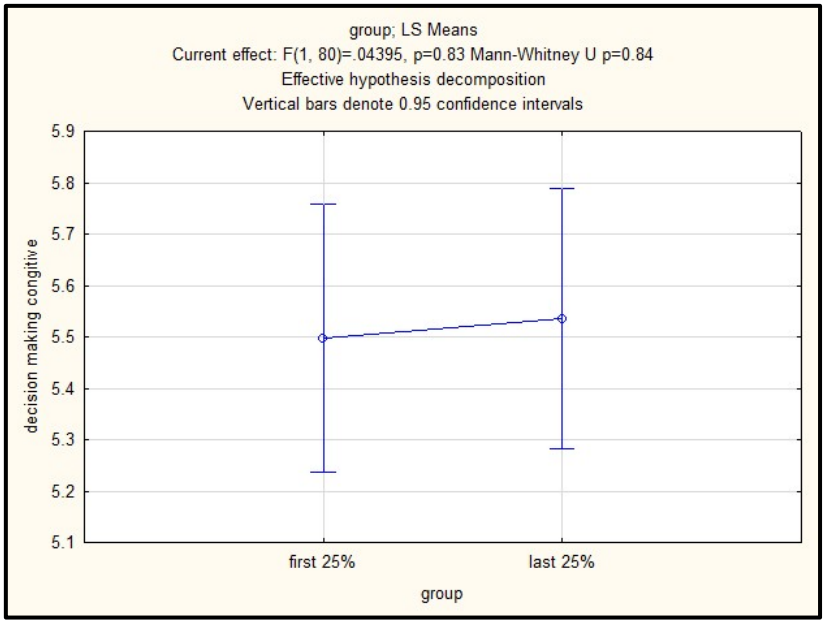

Figure G2: LS Means – CDS with first & last quartile responses

Table G3: LS Means – EDS with first & last quartile responses

group; LS Means (Spreadsheet103 in resultate.stw)
Current effect: F(1, 80)=.61722, p=.43440
Effective hypothesis decomposition

	group	EDS (Mean)	EDS (Std.Err.)	EDS (-95.00%)	EDS (+95.00%)	N
1	first 25%	4.100000	0.122907	3.855407	4.344593	40
2	last 25%	4.234921	0.119945	3.996222	4.473619	42

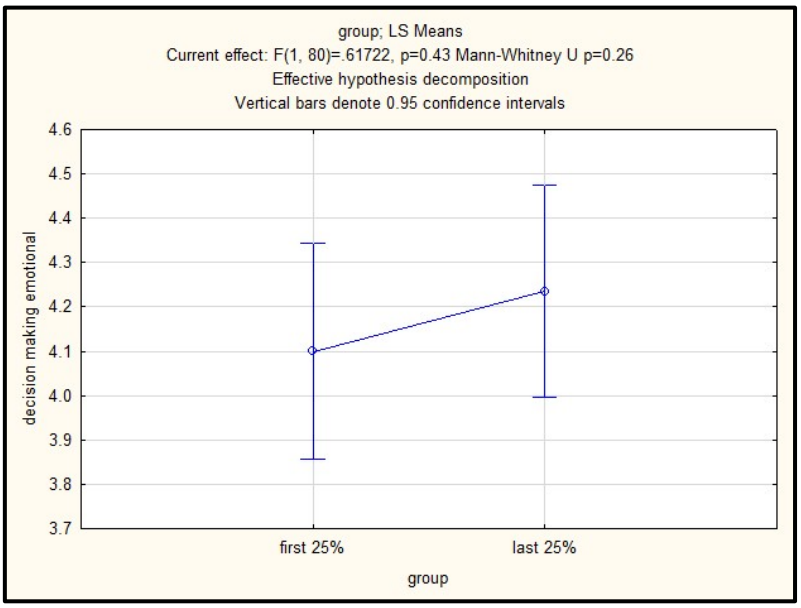

Figure G3: LS Means – EDS with first & last quartile responses

Table G4: LS Means – KET with first & last quartile responses

group; LS Means (Spreadsheet103 in resultate.stw)
Current effect: F(1, 80)=.20859, p=.64911
Effective hypothesis decomposition

	group	KET (Mean)	KET (Std.Err.)	KET (-95.00%)	KET (+95.00%)	N
1	first 25%	4.542500	0.119951	4.303790	4.781210	40
2	last 25%	4.619048	0.117060	4.386090	4.852005	42

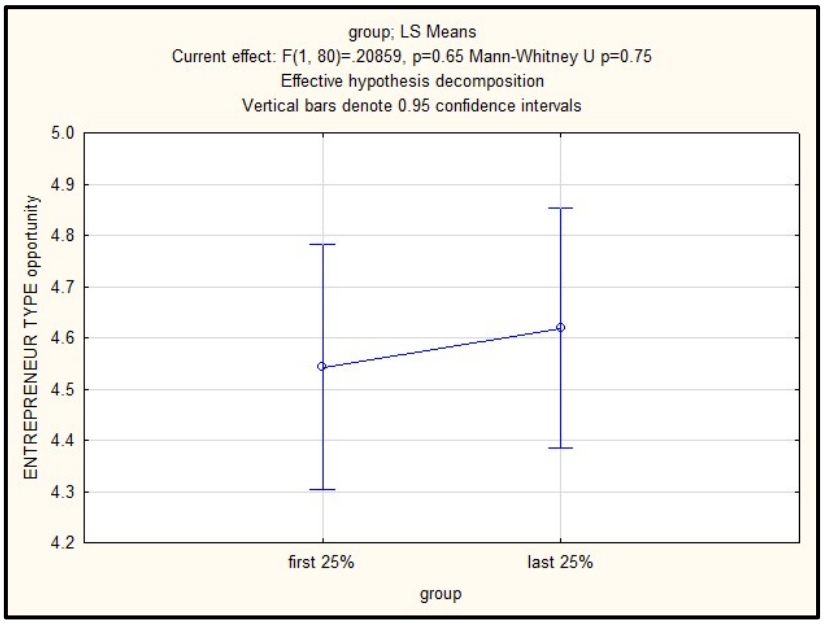

Figure G4: LS Means – KET with first & last quartile responses

Table G5: LS Means – SET with first & last quartile responses

group; LS Means (Spreadsheet103 in resultate.stw)
Current effect: F(1, 80)=.02850, p=.86637
Effective hypothesis decomposition

	group	SET (Mean)	SET (Std.Err.)	SET (-95.00%)	SET (+95.00%)	N
1	first 25%	5.195000	0.112040	4.972033	5.417967	40
2	last 25%	5.221429	0.109340	5.003835	5.439022	42

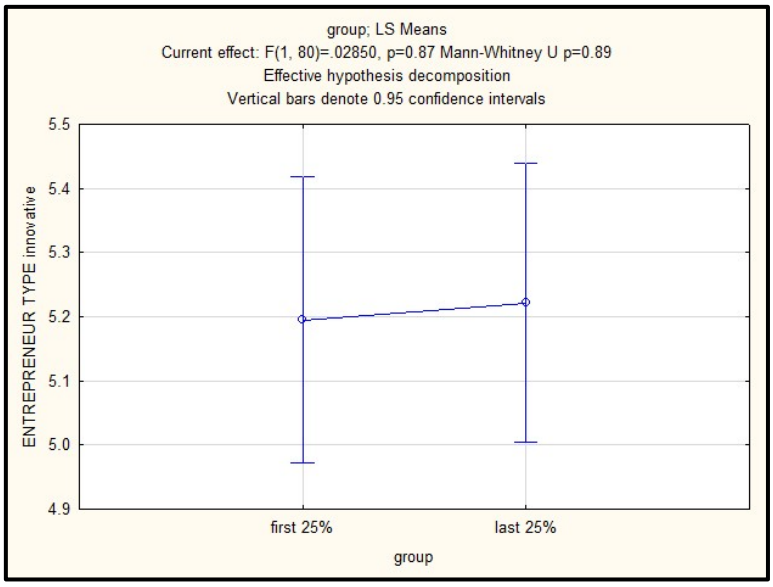

Figure G5: LS Means – SET with first & last quartile responses

Table G6: LS Means – MSO with first & last quartile responses

group; LS Means (Spreadsheet103 in resultate.stw)
Current effect: F(1, 80)=.05290, p=.81867
Effective hypothesis decomposition

	group	MSO (Mean)	MSO (Std.Err.)	MSO (-95.00%)	MSO (+95.00%)	N
1	first 25%	4.497917	0.142304	4.214722	4.781111	40
2	last 25%	4.543651	0.138875	4.267281	4.820021	42

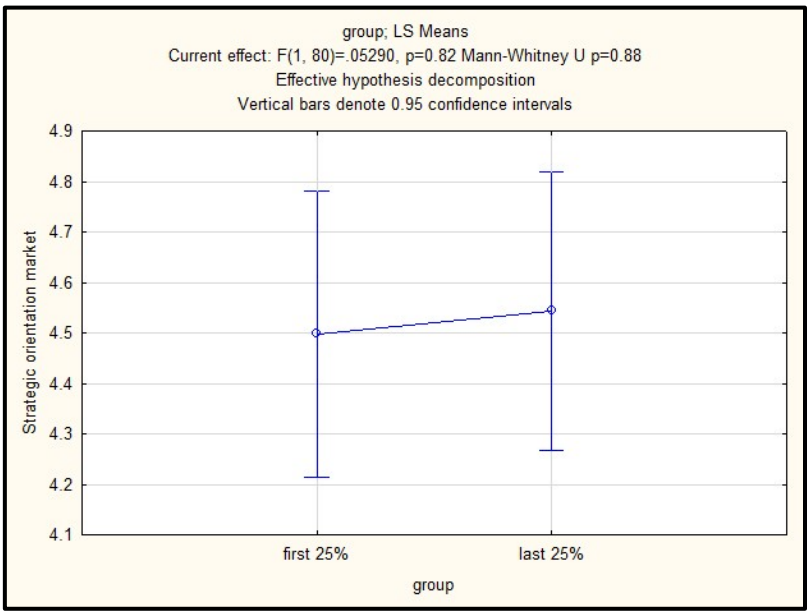

Figure G6: LS Means – MSO with first & last quartile responses

Table G7: LS Means – RSO with first & last quartile responses

group; LS Means (Spreadsheet103 in resultate.stw)
Current effect: F(1, 80)=.04696, p=.82899
Effective hypothesis decomposition

	group	RSO (Mean)	RSO (Std.Err.)	RSO (-95.00%)	RSO (+95.00%)	N
1	first 25%	5.367500	0.104976	5.158590	5.576410	40
2	last 25%	5.335714	0.102447	5.131839	5.539589	42

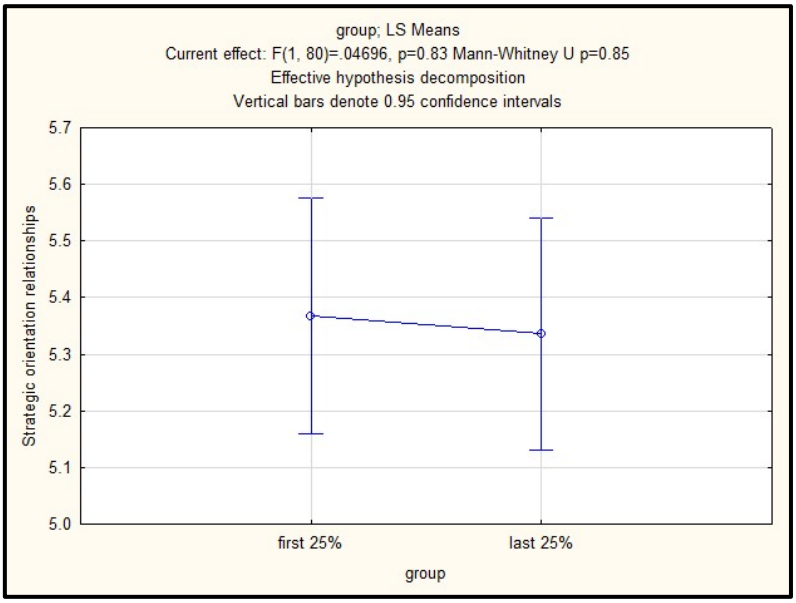

Figure G7: LS Means – RSO with first & last quartile responses

Table G8: Chi-Square Analysis – Qualification Profiles and Gender

	Observed frequencies of Qualification Profiles and Gender			
	Senior Certificate	3 yr Diploma/Degree	Postgraduate	Total
Female	12	35	24	71
Male	24	34	22	80
Total	36	69	46	151

	Observed row percentages of Qualification Profiles and Gender			
	Senior Certificate	3 yr Diploma/Degree	Postgraduate	Total
Female	16.90	49.30	33.80	100.00
Male	30.00	42.50	27.50	100.00
Total	23.84	45.70	30.46	100.00

	Expected frequencies of Qualification Profiles and Gender			
	Senior Certificate	3 yr Diploma/Degree	Postgraduate	Total
Female	16.93	32.44	21.63	71
Male	19.07	36.56	24.37	80
Total	36	69	46	151

	χ^2-stat for Qualifications Profiles and Gender			
Joint categories	**Fo**	**Fe**	**(Fo - Fe)²**	**(Fo - Fe)²/Fe**
Female SC	12	16.93	24.28	1.43
Female 3yr D/D	35	32.44	6.53	0.20
Female PG	24	21.63	5.62	0.26
Male SC	24	19.07	24.28	1.27
Male 3yr D/D	34	36.56	6.53	0.18
Male PG	22	24.37	5.62	0.23
			χ^2-stat:	**3.58**
Degrees of freedom: 2			***p*-value:**	**0.1671**

Null hypothesis ($\mathbf{H_0}$): There is no association between Gender and Qualifications Profiles (they are independent).

Alternative hypothesis ($\mathbf{H_1}$): There is an association between Gender and Qualifications Profiles (they are not independent).

Since the $p > 0.05$ the null hypothesis is accepted at a 5% significance level and therefore the decision is that there is no association between Gender and Qualifications Profiles.

Table G9: Chi-Square Analysis – Qualification Profiles and Home Language

	Observed frequancies of Qualification Profiles and Home Language			
	Senior Certificate	3 yr Diploma/Degree	Postgraduate	Total
English	25	38	23	86
Afrikaans	9	26	20	55
Indigenous African	0	1	1	2
Other	2	4	2	8
Total	36	69	46	151
	Observed row percentages of Qualification Profiles and Home Language			
	Senior Certificate	3 yr Diploma/Degree	Postgraduate	Total
English	29.07	44.19	26.74	100.00
Afrikaans	16.36	47.27	36.36	100.00
Indigenous African	0.00	50.00	50.00	100.00
Other	25.00	50.00	25.00	100.00
Total	23.84	45.70	30.46	100.00
	Expected frequencies of QualificationPprofiles and Home Language			
	Senior Certificate	3 yr Diploma/Degree	Postgraduate	Total
English	20.50	39.30	26.20	86
Afrikaans	13.11	25.13	16.75	55
Indigenous African	0.48	0.91	0.61	2
Other	1.91	3.66	2.44	8
Total	36	69	46	151
	χ^2-stat for Qualifications Profiles and Home Language			
Joint categories	**Fo**	**Fe**	**(Fo - Fe)²**	**(Fo - Fe)²/Fe**
English SC	25	20.50	20.22	0.99
English 3yr D/D	38	39.30	1.68	0.04
English PG	23	26.20	10.23	0.39
Afrikaans SC	9	13.11	16.91	1.29
Afrikaans 3yr D/D	26	25.13	0.75	0.03
Afrikaans PG	20	16.75	10.53	0.63
Indigenous African SC	0	0.48	0.23	0.48
Indigenous African 3yr D/D	1	0.91	0.01	0.01
Indigenous African PG	1	0.61	0.15	0.25
Other SC	2	1.91	0.01	0.00
Other 3yr D/D	4	3.66	0.12	0.03
Other PG	2	2.44	0.19	0.08
			χ^2-stat:	**4.22**
Degrees of freedom: 6			***p*-value:**	**0.6471**

Null hypothesis ($\mathbf{H_0}$): There is no association between Home Language and Qualifications Profiles (they are independent).

Alternative hypothesis ($\mathbf{H_1}$): There is an association between Home Language and Qualifications Profiles (they are not independent).

Since the $p>0.05$ the null hypothesis is accepted at a 5% significance level and therefore the decision is that there is no association between Home Language and Qualifications Profiles.

Table G10: Chi-Square Analysis – Qualification Profiles and Motivation to be in Business

Observed frequencies of Qualification Profiles and Motivation to be in Business				
	Senior Certificate	3 yr Diploma/Degree	Postgraduate	Total
Survival	8	11	16	35
Lifestyle	17	32	18	67
Growth	11	26	12	49
Total	36	69	46	151

Observed row percentages of Qualification Profiles and Motivation to be in Business				
	Senior Certificate	3 yr Diploma/Degree	Postgraduate	Total
Survival	22.86	31.43	45.71	100.00
Lifestyle	25.37	47.76	26.87	100.00
Growth	22.45	53.06	24.49	100.00
Total	23.84	45.70	30.46	100.00

Expected frequencies of Qualification Profiles and Motivation to be in Business				
	Senior Certificate	3 yr Diploma/Degree	Postgraduate	Total
Survival	8.34	15.99	10.66	35
Lifestyle	15.97	30.62	20.41	67
Growth	11.68	22.39	14.93	49
Total	36	69	46	151

	χ^2-stat for Qualifications Profiles and Motivation to be in Business			
Joint categories	**Fo**	**Fe**	**(Fo - Fe)²**	**(Fo - Fe)²/Fe**
Survival SC	8	8.34	0.12	0.01
Survival 3yr D/D	11	15.99	24.93	1.56
Survival PG	16	10.66	28.49	2.67
Lifestyle SC	17	15.97	1.05	0.07
Lifestyle 3yr D/D	32	30.62	1.92	0.06
Lifestyle PG	18	20.41	5.81	0.28
Growth SC	11	11.68	0.47	0.04
Growth 3yr D/D	26	22.39	13.03	0.58
Growth PG	12	14.93	8.57	0.57
			χ^2-stat:	**5.85**
Degrees of freedom: 4			***p*-value:**	**0.2103**

Null hypothesis ($\mathbf{H_0}$): There is no association between Motivation to be in Business and Qualifications Profiles (they are independent).

Alternative hypothesis ($\mathbf{H_1}$): There is an association between Motivation to be in Business and Qualifications Profiles (they are not independent).

Since the $p > 0.05$ the null hypothesis is accepted at a 5% significance level and therefore the decision is that there is no association between Motivation to be in Business and Qualifications Profiles.

Table G11: Chi-Square Analysis – Qualification Profiles and Region

	Observed frequencies of Qualification Profiles and Region			
	Senior Certificate	3 yr Diploma/Degree	Postgraduate	Total
Gauteng	3	4	4	11
Kwazulu-Natal	7	8	6	21
Western Cape	14	35	23	72
Eastern Cape	4	11	6	21
Northern Cape	2	5	2	9
Free State	1	2	1	4
North West	1	2	0	3
Limpopo	1	1	2	4
Mpumalanga	3	1	2	6
Total	36	69	46	151

	Observed row percentages of Qualification Profiles and Region			
	Senior Certificate	3 yr Diploma/Degree	Postgraduate	Total
Gauteng	27.27	36.36	36.36	100.00
Kwazulu-Natal	33.33	38.10	28.57	100.00
Western Cape	19.44	48.61	31.94	100.00
Eastern Cape	19.05	52.38	28.57	100.00
Northern Cape	22.22	55.56	22.22	100.00
Free State	25.00	50.00	25.00	100.00
North West	33.33	66.67	0.00	100.00
Limpopo	25.00	25.00	50.00	100.00
Mpumalanga	50.00	16.67	33.33	100.00
Total	23.84	45.70	30.46	100.00

	Expected frequencies of Qualification Profiles and Region			
	Senior Certificate	3 yr Diploma/Degree	Postgraduate	Total
Gauteng	2.62	5.03	3.35	11
Kwazulu-Natal	5.01	9.60	6.40	21
Western Cape	17.17	32.90	21.93	72
Eastern Cape	5.01	9.60	6.40	21
Northern Cape	2.15	4.11	2.74	9
Free State	0.95	1.83	1.22	4
North West	0.72	1.37	0.91	3
Limpopo	0.95	1.83	1.22	4
Mpumalanga	1.43	2.74	1.83	6
Total	36	69	46	151

	χ^2-stat for Qualifications Profiles and Region			
Joint categories	**Fo**	**Fe**	**(Fo - Fe)²**	**(Fo - Fe)²/Fe**
Gauteng SC	3.00	2.62	0.14	0.05
Gauteng 3yr D/D	4.00	5.03	1.05	0.21
Gauteng PG	4.00	3.35	0.42	0.13
Kwazulu-Natal SC	7.00	5.01	3.97	0.79
Kwazulu-Natal 3yr D/D	8.00	9.60	2.55	0.27
Kwazulu-Natal PG	6.00	6.40	0.16	0.02
Western Cape SC	14.00	17.17	10.02	0.58
Western Cape 3yr D/D	35.00	32.90	4.41	0.13
Western Cape PG	23.00	21.93	1.14	0.05
Eastern Cape SC	4.00	5.01	1.01	0.20
Eastern Cape 3yr D/D	11.00	9.60	1.97	0.21
Eastern Cape PG	6.00	6.40	0.16	0.02
Northern Cape SC	2.00	2.15	0.02	0.01
Northern Cape 3yr D/D	5.00	4.11	0.79	0.19
Northern Cape PG	2.00	2.74	0.55	0.20
Free State SC	1.00	0.95	0.00	0.00
Free State 3yr D/D	2.00	1.83	0.03	0.02
Free State PG	1.00	1.22	0.05	0.04
North West SC	1.00	0.72	0.08	0.11
North West 3yr D/D	2.00	1.37	0.40	0.29
North West PG	0.00	0.91	0.84	0.91
Limpopo SC	1.00	0.95	0.00	0.00
Limpopo 3yr D/D	1.00	1.83	0.69	0.37
Limpopo PG	2.00	1.22	0.61	0.50
Mpumalanga SC	3.00	1.43	2.46	1.72
Mpumalanga 3yr D/D	1.00	2.74	3.03	1.11
Mpumalanga PG	2.00	1.83	0.03	0.02
			χ^2-stat:	**8.17**
Degrees of freedom: 16			***p*-value:**	**0.9435**

Null hypothesis (H_0): There is no association between Region and Qualifications Profiles (they are independent).

Alternative hypothesis (H_1): There is an association between Region and Qualifications Profiles (they are not independent).

Since the $p > 0.05$ the null hypothesis is accepted at a 5% significance level and therefore the decision is that there is no association between Region and Qualifications Profiles.

Table G12: Chi-Square Analysis – Gender and Region

Observed frequencies of Gender and Region

	Female	Male	Total
Gauteng	5	6	11
Kwazulu-Natal	9	12	21
Western Cape	36	36	72
Eastern Cape	10	11	21
Northern Cape	4	5	9
Free State	2	2	4
North West	2	1	3
Limpopo	2	2	4
Mpumalanga	1	5	6
Total	71	80	151

Observed row frequencies of Gender and Region

	Female	Male	Total
Gauteng	45.45	54.55	100.00
Kwazulu-Natal	42.86	57.14	100.00
Western Cape	50.00	50.00	100.00
Eastern Cape	47.62	52.38	100.00
Northern Cape	44.44	55.56	100.00
Free State	50.00	50.00	100.00
North West	66.67	33.33	100.00
Limpopo	50.00	50.00	100.00
Mpumalanga	16.67	83.33	100.00
Total	47.02	52.98	100.00

Expected frequencies of Gender and Region

	Female	Male	Total
Gauteng	5.17	5.83	11
Kwazulu-Natal	9.87	11.13	21
Western Cape	33.85	38.15	72
Eastern Cape	9.87	11.13	21
Northern Cape	4.23	4.77	9
Free State	1.88	2.12	4
North West	1.41	1.59	3
Limpopo	1.88	2.12	4
Mpumalanga	2.82	3.18	6
Total	71	80	151

χ^2-stat for Gender and Region

Joint categories	Fo	Fe	(Fo - Fe)²	(Fo - Fe)²/Fe
Gauteng F	5.00	5.17	0.03	0.01
Gauteng M	6.00	5.83	0.03	0.01
Kwazulu-Natal F	9.00	9.87	0.76	0.08
Kwazulu-Natal M	12.00	11.13	0.76	0.07
Western Cape F	36.00	33.85	4.60	0.14
Western Cape M	36.00	38.15	4.60	0.12
Eastern Cape F	10.00	9.87	0.02	0.00
Eastern Cape M	11.00	11.13	0.02	0.00
Northern Cape F	4.00	4.23	0.05	0.01
Northern Cape M	5.00	4.77	0.05	0.01
Free State F	2.00	1.88	0.01	0.01
Free State M	2.00	2.12	0.01	0.01
North West F	2.00	1.41	0.35	0.25
North West M	1.00	1.59	0.35	0.22
Limpopo F	2.00	1.88	0.01	0.01
Limpopo M	2.00	2.12	0.01	0.01
Mpumalanga F	1.00	2.82	3.32	1.18
Mpumalanga M	5.00	3.18	3.32	1.04
			χ^2-stat:	**3.15**
Degrees of freedom: 8			***p*-value:**	**0.9244**

Null hypothesis (H_0): There is no association between Region and Gender (they are independent).
Alternative hypothesis (H_1): There is an association between Region and Gender (they are not independent).

Since the $p > 0.05$ the null hypothesis is accepted at a 5% significance level and therefore the decision is that there is no association between Region and Gender.

Table G13: Chi-Square Analysis – Gender and Home Language

Observed frequencies of Home Language and Gender

	English	Afrikaans	Indigenous African	Other	Total
Female	38	26	0	7	71
Male	48	29	2	1	80
Total	86	55	2	8	151

Observed row frequencies of Home Language and Gender

	English	Afrikaans	Indigenous African	Other	Total
Female	53.52	36.62	0.00	9.86	100.00
Male	60.00	36.25	2.50	1.25	100.00
Total	56.95	36.42	1.32	5.30	100.00

Expected frequencies of Home Language and Gender

	English	Afrikaans	Indigenous African	Other	Total
Female	40.44	25.86	0.94	3.76	71
Male	45.56	29.14	1.06	4.24	80
Total	86	55	2	8	151

χ^2-stat for Home Language and Gender

Joint categories	Fo	Fe	(Fo - Fe)²	(Fo - Fe)²/Fe
Female E	38	40.44	5.94	0.15
Female A	26	25.86	0.02	0.00
Female I	0	0.94	0.88	0.94
Female O	7	3.76	10.49	2.79
Male E	48	45.56	5.94	0.13
Male A	29	29.14	0.02	0.00
Male I	2	1.06	0.88	0.83
Male O	1	4.24	10.49	2.47
			χ^2-stat:	**7.32**
Degrees of freedom: 3			***p*-value:**	**0.0625**

Null hypothesis ($\mathbf{H_0}$): There is no association between Gender and Home Language (they are independent).

Alternative hypothesis ($\mathbf{H_1}$): There is an association between Gender and Language (they are not independent).

Since the $p > 0.05$ the null hypothesis is accepted at a 5% significance level and therefore the decision is that there is no association between Gender and Home Language.

Table G14: Chi-Square Analysis – Gender and Motivation to be in Business

Observed frequencies of Motivation to be in Business and Gender				
	Survival	Lifestyle	Growth	Total
Female	18	32	21	71
Male	17	35	28	80
Total	35	67	49	151
Observed row frequencies of Motivation to be in Business and Gender				
	Survival	Lifestyle	Growth	Total
Female	25.35	45.07	29.58	100.00
Male	21.25	43.75	35.00	100.00
Total	23.18	44.37	32.45	100.00
Expected frequencies of Motivation to be in Business and Gender				
	Survival	Lifestyle	Growth	Total
Female	16.46	31.50	23.04	71
Male	18.54	35.50	25.96	80
Total	35	67	49	151
	χ^2-stat for Qualifications Profiles and Gender			
Joint categories	**Fo**	**Fe**	**(Fo - Fe)²**	**(Fo - Fe)²/Fe**
Female S	18	16.46	2.38	0.14
Female L	32	31.50	0.25	0.01
Female G	21	23.04	4.16	0.18
Male S	17	18.54	2.38	0.13
Male L	35	35.50	0.25	0.01
Male G	28	25.96	4.16	0.16
			χ^2-stat:	**0.63**
Degrees of freedom: 2			***p*-value:**	**0.7303**

Null hypothesis ($\mathbf{H_0}$): There is no association between Gender and Motivation to be in Business (they are independent).

Alternative hypothesis ($\mathbf{H_1}$): There is an association between Gender and Motivation to be in Business (they are not independent).

Since the $p > 0.05$ the null hypothesis is accepted at a 5% significance level and therefore the decision is that there is no association between Gender and Motivation to be in Business.

Table G15: Chi-Square Analysis – Region and Home Language

Observed frequencies of Home Language and Region

	English	Afrikaans	Indigenous African	Other	Total
Gauteng	7	2	2	0	11
Kwazulu-Natal	18	2	0	1	21
Western Cape	38	27	0	7	72
Eastern Cape	15	6	0	0	21
Northern Cape	0	9	0	0	9
Free State	3	1	0	0	4
North West	0	3	0	0	3
Limpopo	2	2	0	0	4
Mpumalanga	3	3	0	0	6
Total	86	55	2	8	151

Observed row frequencies of Home Language and Region

	English	Afrikaans	Indigenous African	Other	Total
Gauteng	63.64	18.18	18.18	0.00	100.00
Kwazulu-Natal	85.71	9.52	0.00	4.76	100.00
Western Cape	52.78	37.50	0.00	9.72	100.00
Eastern Cape	71.43	28.57	0.00	0.00	100.00
Northern Cape	0.00	100.00	0.00	0.00	100.00
Free State	75.00	25.00	0.00	0.00	100.00
North West	0.00	100.00	0.00	0.00	100.00
Limpopo	50.00	50.00	0.00	0.00	100.00
Mpumalanga	50.00	50.00	0.00	0.00	100.00
Total	56.95	36.42	1.32	5.30	100.00

Expected frequencies of Home Language and Region

	English	Afrikaans	Indigenous African	Other	Total
Gauteng	6.26	4.01	0.15	0.58	11
Kwazulu-Natal	11.96	7.65	0.28	1.11	21
Western Cape	41.01	26.23	0.95	3.81	72
Eastern Cape	11.96	7.65	0.28	1.11	21
Northern Cape	5.13	3.28	0.12	0.48	9
Free State	2.28	1.46	0.05	0.21	4
North West	1.71	1.09	0.04	0.16	3
Limpopo	2.28	1.46	0.05	0.21	4
Mpumalanga	3.42	2.19	0.08	0.32	6
Total	86	55	2	8	151

χ^2-stat for Home Language and Region

Joint categories	Fo	Fe	(Fo - Fe)²	(Fo - Fe)²/Fe
Gauteng E	7.00	6.26	0.54	0.09
Gauteng A	2.00	4.01	4.03	1.00
Gauteng I	2.00	0.15	3.44	23.60
Gauteng O	0.00	0.58	0.34	0.58
Kwazulu-Natal E	18.00	11.96	36.48	3.05
Kwazulu-Natal A	2.00	7.65	31.91	4.17
Kwazulu-Natal I	0.00	0.28	0.08	0.28
Kwazulu-Natal O	1.00	1.11	0.01	0.01
Western Cape E	38.00	41.01	9.04	0.22
Western Cape A	27.00	26.23	0.60	0.02
Western Cape I	0.00	0.95	0.91	0.95
Western Cape O	7.00	3.81	10.15	2.66
Eastern Cape E	15.00	11.96	9.24	0.77
Eastern Cape A	6.00	7.65	2.72	0.36
Eastern Cape I	0.00	0.28	0.08	0.28
Eastern Cape O	0.00	1.11	1.24	1.11
Northern Cape E	0.00	5.13	26.27	5.13
Northern Cape A	9.00	3.28	32.74	9.99
Northern Cape I	0.00	0.12	0.01	0.12
Northern Cape O	0.00	0.48	0.23	0.48
Free State E	3.00	2.28	0.52	0.23
Free State A	1.00	1.46	0.21	0.14
Free State I	0.00	0.05	0.00	0.05
Free State O	0.00	0.21	0.04	0.21
North West E	0.00	1.71	2.92	1.71
North West A	3.00	1.09	3.64	3.33
North West I	0.00	0.04	0.00	0.04
North West O	0.00	0.16	0.03	0.16
Limpopo E	2.00	2.28	0.08	0.03
Limpopo A	2.00	1.46	0.29	0.20
Limpopo I	0.00	0.05	0.00	0.05
Limpopo O	0.00	0.21	0.04	0.21
Mpumalanga E	3.00	3.42	0.17	0.05
Mpumalanga A	3.00	2.19	0.66	0.30
Mpumalanga I	0.00	0.08	0.01	0.08
Mpumalanga O	0.00	0.32	0.10	0.32
			χ^2-stat:	**62.00**
Degrees of freedom: 24			***p*-value:**	**0.0000**

Null hypothesis (H_0): There is no association between Region and Home Language (they are independent).
Alternative hypothesis (H_1): There is an association between Region and Home Language (they are not independent).

Since the $p < 0.05$ the null hypothesis is rejected at a 5% significance level and therefore the decision is that there is an association between Region and Home Language.

Table G16: Chi-Square Analysis – Home Language and Motivation to be in Business

Observed frequencies of Home language and Motivation to be in Business

	English	Afrikaans	Indigenous African	Other	Total
Survival	22	11	0	2	35
Lifestyle	46	17	0	4	67
Growth	18	27	2	2	49
Total	86	55	2	8	151

Observed row frequencies of Home language and Motivation to be in Business

	English	Afrikaans	Indigenous African	Other	Total
Survival	62.86	31.43	0.00	5.71	100.00
Lifestyle	68.66	25.37	0.00	5.97	100.00
Growth	36.73	55.10	4.08	4.08	100.00
Total	56.95	36.42	1.32	5.30	100.00

Expected frequencies of Home language and Motivation to be in Business

	English	Afrikaans	Indigenous African	Other	Total
Survival	19.93	12.75	0.46	1.85	35
Lifestyle	38.16	24.40	0.89	3.55	67
Growth	27.91	17.85	0.65	2.60	49
Total	86	55	2	8	151

χ^2-stat for Home Language and Motivation to be in Business

Joint categories	Fo	Fe	(Fo - Fe)²	(Fo - Fe)²/Fe
Survival E	22	19.93	4.27	0.21
Survival A	11	12.75	3.06	0.24
Survival I	0	0.46	0.21	0.46
Survival O	2	1.85	0.02	0.01
Lifestyle E	46	38.16	61.48	1.61
Lifestyle A	17	24.40	54.82	2.25
Lifestyle I	0	0.89	0.79	0.89
Lifestyle O	4	3.55	0.20	0.06
Growth E	18	27.91	98.15	3.52
Growth A	27	17.85	83.76	4.69
Growth I	2	0.65	1.83	2.81
Growth O	2	2.60	0.36	0.14
			χ^2-stat:	**16.89**
Degrees of freedom: 6			***p*-value:**	**0.0097**

Null hypothesis (H_0): There is no association between Home Language and Motivation to be in Business (they are independent).

Alternative hypothesis (H_1): There is an association between Home Language and Motivation to be in Business (they are not independent).

Since the $p<0.05$ the null hypothesis is rejected at a 5% significance level and therefore the decision is that there is an association between Home Language and Motivation to be in Business.

Table G17: Chi-Square Analysis – Motivation to be in Business and Region

Observed frequencies of Motivation to be in Business and Region

	Survival	Lifestyle	Growth	Total
Gauteng	3	2	6	11
Kwazulu-Natal	6	12	3	21
Western Cape	15	38	19	72
Eastern Cape	7	7	7	21
Northern Cape	1	1	7	9
Free State	0	3	1	4
North West	0	0	3	3
Limpopo	2	2	0	4
Mpumalanga	1	2	3	6
Total	35	67	49	151

Observed row frequencies of Motivation to be in Business and Region

	Survival	Lifestyle	Growth	Total
Gauteng	27.27	18.18	54.55	100.00
Kwazulu-Natal	28.57	57.14	14.29	100.00
Western Cape	20.83	52.78	26.39	100.00
Eastern Cape	33.33	33.33	33.33	100.00
Northern Cape	11.11	11.11	77.78	100.00
Free State	0.00	75.00	25.00	100.00
North West	0.00	0.00	100.00	100.00
Limpopo	50.00	50.00	0.00	100.00
Mpumalanga	16.67	33.33	50.00	100.00
Total	23.18	44.37	32.45	100.00

Expected frequencies of Motivation to be in Business and Region

	Survival	Lifestyle	Growth	Total
Gauteng	2.55	4.88	3.57	11
Kwazulu-Natal	4.87	9.32	6.81	21
Western Cape	16.69	31.95	23.36	72
Eastern Cape	4.87	9.32	6.81	21
Northern Cape	2.09	3.99	2.92	9
Free State	0.93	1.77	1.30	4
North West	0.70	1.33	0.97	3
Limpopo	0.93	1.77	1.30	4
Mpumalanga	1.39	2.66	1.95	6
Total	35	67	49	151

χ^2-stat for Motivation to be in Business and Region

Joint categories	Fo	Fe	$(Fo - Fe)^2$	$(Fo - Fe)^2/Fe$
Gauteng S	3.00	2.55	0.20	0.08
Gauteng L	2.00	4.88	8.30	1.70
Gauteng G	6.00	3.57	5.91	1.65
Kwazulu-Natal S	6.00	4.87	1.28	0.26
Kwazulu-Natal L	12.00	9.32	7.19	0.77
Kwazulu-Natal G	3.00	6.81	14.55	2.14
Western Cape S	15.00	16.69	2.85	0.17
Western Cape L	38.00	31.95	36.64	1.15
Western Cape G	19.00	23.36	19.05	0.82
Eastern Cape S	7.00	4.87	4.55	0.93
Eastern Cape L	7.00	9.32	5.37	0.58
Eastern Cape G	7.00	6.81	0.03	0.01
Northern Cape S	1.00	2.09	1.18	0.57
Northern Cape L	1.00	3.99	8.96	2.24
Northern Cape G	7.00	2.92	16.64	5.70
Free State S	0.00	0.93	0.86	0.93
Free State L	3.00	1.77	1.50	0.85
Free State G	1.00	1.30	0.09	0.07
North West S	0.00	0.70	0.48	0.70
North West L	0.00	1.33	1.77	1.33
North West G	3.00	0.97	4.11	4.22
Limpopo S	2.00	0.93	1.15	1.24
Limpopo L	2.00	1.77	0.05	0.03
Limpopo G	0.00	1.30	1.68	1.30
Mpumalanga S	1.00	1.39	0.15	0.11
Mpumalanga L	2.00	2.66	0.44	0.16
Mpumalanga G	3.00	1.95	1.11	0.57
			χ^2-stat:	**30.26**
Degrees of freedom: 16			***p*-value:**	**0.0167**

Null hypothesis (H_0): There is no association between Region and Motivation to be in Business (they are independent).

Alternative hypothesis (H_1): There is an association between Region and Motivation to be in Business (they are not independent).

Since the $p < 0.05$ the null hypothesis is rejected at a 5% significance level and therefore the decision is that there is an association between Region and Motivation to be in Business.

Table G18: Demographic (numerical) Correlations

variable 1	variable 2	Pearson	Pearson p-val	Spearman	Spearman p-val	# cases
Age of the venture	Quality of products/services	0.02	0.78	0.01	0.93	151
Age of the venture	Speed of response (time)	0.01	0.88	-0.05	0.57	151
Age of the venture	Ethical conduct	-0.08	0.32	0.07	0.39	151
Age of the venture	Profit maximisation	0.19	0.02	0.17	0.03	151
Age of the venture	Customer satisfaction	-0.07	0.40	0.00	0.99	151
Age of the venture	Impact on the natural environment	-0.07	0.39	-0.13	0.13	151
Age of the venture	Performance	0.07	0.40	-0.01	0.93	151
Age of the venture	Cognitive DM	0.05	0.55	-0.01	0.94	151
Age of the venture	Emotive DM	0.00	0.98	0.03	0.70	151
Age of the venture	Opportunity Alertness	-0.03	0.75	0.01	0.86	151
Age of the venture	Innovative/Creative	0.24	<0.01	0.16	0.06	151
Age of the venture	Market SO	0.02	0.78	0.04	0.65	151
Age of the venture	Relationships SO	0.19	0.02	0.27	<0.01	151
Age of owner-manager	Quality of products/services	-0.10	0.24	-0.06	0.43	151
Age of owner-manager	Speed of response (time)	-0.09	0.29	-0.10	0.24	151
Age of owner-manager	Ethical conduct	-0.01	0.86	-0.02	0.81	151
Age of owner-manager	Profit maximisation	0.15	0.07	0.15	0.06	151
Age of owner-manager	Customer satisfaction	-0.02	0.82	-0.07	0.40	151
Age of owner-manager	Impact on the natural environment	0.06	0.45	0.08	0.31	151
Age of owner-manager	Performance	-0.10	0.24	-0.18	0.03	151
Age of owner-manager	Cognitive DM	-0.04	0.67	-0.07	0.36	151
Age of owner-manager	Emotive DM	-0.10	0.21	-0.10	0.23	151
Age of owner-manager	Opportunity Alertness	-0.11	0.19	-0.11	0.19	151
Age of owner-manager	Innovative/Creative	0.04	0.63	0.00	0.98	151
Age of owner-manager	Market SO	-0.17	0.04	-0.15	0.07	151
Age of owner-manager	Relationships SO	-0.05	0.51	-0.06	0.44	151
Years experience	Quality of products/services	0.06	0.49	0.04	0.58	151
Years experience	Speed of response (time)	-0.07	0.40	-0.06	0.46	151
Years experience	Ethical conduct	0.08	0.31	0.12	0.15	151
Years experience	Profit maximisation	0.10	0.22	0.09	0.27	151
Years experience	Customer satisfaction	-0.03	0.72	0.00	0.96	151
Years experience	Impact on the natural environment	-0.12	0.13	-0.13	0.11	151
Years experience	Performance	-0.05	0.57	-0.01	0.88	151
Years experience	Cognitive DM	0.10	0.22	0.00	0.99	151
Years experience	Emotive DM	0.01	0.86	0.03	0.75	151
Years experience	Opportunity Alertness	-0.07	0.37	-0.09	0.28	151
Years experience	Innovative/Creative	0.17	0.03	0.14	0.08	151
Years experience	Market SO	-0.01	0.88	-0.02	0.81	151
Years experience	Relationships SO	0.20	0.01	0.22	<0.01	151
Number of employees	Performance	0.17	0.04	0.25	<0.01	151
Number of employees	Cognitive DM	0.20	0.01	0.19	0.02	151
Number of employees	Emotive DM	-0.01	0.89	0.01	0.86	151
Number of employees	Opportunity Alertness	0.12	0.16	0.28	<0.01	151
Number of employees	Innovative/Creative	0.12	0.15	0.16	0.05	151
Number of employees	Market SO	0.11	0.19	0.20	0.02	151
Number of employees	Relationships SO	0.10	0.23	0.02	0.83	151

Table G19: Inter-Construct Correlations

variable 1	variable 2	Pearson	Pearson p-val	Spearman	Spearman p-val	# cases
Cognitive DM	Opportunity Alertness	0.14	0.08	0.28	<0.01	151
Cognitive DM	Innovative/Creative	0.09	0.27	0.11	0.16	151
Emotive DM	Opportunity Alertness	0.07	0.40	0.08	0.32	151
Emotive DM	Innovative/Creative	-0.09	0.28	-0.06	0.50	151
Cognitive DM	Market SO	0.20	0.01	0.24	<0.01	151
Cognitive DM	Relationships SO	0.07	0.38	0.18	0.03	151
Emotive DM	Strategic orientation market	0.10	0.20	0.11	0.19	151
Emotive DM	Market SO	0.03	0.68	0.03	0.75	151
Opportunity Alertness	Market SO	0.51	<0.01	0.50	<0.01	151
Opportunity Alertness	Relationships SO	0.15	0.06	0.15	0.07	151
Innovative/Creative	Market SO	0.27	<0.01	0.28	<0.01	151
Innovative/Creative	Relationships SO	0.23	<0.01	0.23	<0.01	151

Table G20: Decision Context (rank) Correlations

variable 1	variable 2	Pearson	Pearson p-val	Spearman	Spearman p-val	# cases
Quality of products/services	Performance	-0.07	0.39	-0.07	0.37	151
Quality of products/services	Cognitive DM	-0.08	0.33	-0.06	0.46	151
Quality of products/services	Emotive DM	-0.04	0.65	-0.03	0.71	151
Quality of products/services	Opportunity Alertness	0.00	0.96	0.04	0.60	151
Quality of products/services	Innovative/Creative	0.01	0.87	0.02	0.78	151
Quality of products/services	Market SO	0.01	0.86	0.00	0.98	151
Quality of products/services	Relationships SO	0.04	0.62	0.04	0.60	151
Speed of response (time)	Performance	0.09	0.25	0.11	0.20	151
Speed of response (time)	Cognitive DM	-0.03	0.74	-0.03	0.74	151
Speed of response (time)	Emotive DM	-0.15	0.08	-0.13	0.12	151
Speed of response (time)	Opportunity Alertness	-0.12	0.14	-0.14	0.09	151
Speed of response (time)	Innovative/Creative	0.00	0.97	0.03	0.75	151
Speed of response (time)	Market SO	0.00	0.97	-0.01	0.88	151
Speed of response (time)	Relationships SO	-0.14	0.08	-0.15	0.06	151
Ethical conduct	Performance	0.04	0.64	-0.02	0.85	151
Ethical conduct	Cognitive DM	0.10	0.21	0.11	0.16	151
Ethical conduct	Emotive DM	0.05	0.54	0.06	0.50	151
Ethical conduct	Opportunity Alertness	0.15	0.07	0.12	0.13	151
Ethical conduct	Innovative/Creative	0.03	0.71	0.05	0.54	151
Ethical conduct	Market SO	0.07	0.39	0.03	0.70	151
Ethical conduct	Relationships SO	0.01	0.89	0.03	0.68	151
Profit maximisation	Performance	-0.03	0.70	0.02	0.77	151
Profit maximisation	Cognitive DM	-0.10	0.22	-0.11	0.20	151
Profit maximisation	Emotive DM	0.06	0.50	0.06	0.45	151
Profit maximisatio	Opportunity Alertness	-0.14	0.08	-0.10	0.24	151
Profit maximisation	Innovative/Creative	0.13	0.11	0.17	0.04	151
Profit maximisation	Market SO	-0.09	0.26	-0.03	0.71	151
Profit maximisation	Relationships SO	0.03	0.71	0.05	0.56	151
Customer satisfaction	Performance	-0.06	0.48	-0.05	0.56	151
Customer satisfaction	Cognitive DM	0.02	0.80	-0.05	0.57	151
Customer satisfaction	Emotive DM	-0.03	0.68	-0.11	0.19	151
Customer satisfaction	Opportunity Alertness	-0.06	0.50	-0.08	0.32	151
Customer satisfaction	Innovative/Creative	-0.11	0.19	-0.07	0.36	151
Customer satisfaction	Market SO	-0.09	0.29	-0.11	0.20	151
Customer satisfaction	Relationships SO	0.02	0.83	0.00	0.96	151
Impact on the natural environment	Performance	0.02	0.76	-0.01	0.91	151
Impact on the natural environment	Cognitive DM	0.08	0.35	0.10	0.23	151
Impact on the natural environment	Emotive DM	0.11	0.20	0.08	0.33	151
Impact on the natural environment	Opportunity Alertness	0.16	0.05	0.12	0.14	151
Impact on the natural environment	Innovative/Creative	-0.06	0.47	-0.13	0.11	151
Impact on the natural environment	Market SO	0.10	0.24	0.04	0.63	151
Impact on the natural environment	Relationships SO	0.04	0.60	0.03	0.70	151

Table G21: Performance Correlations

variable 1	variable 2	Pearson	Pearson p-val	Spearman	Spearman p-val	# cases
Cognitive DM	Performance	0.24	<0.01	0.10	0.21	151
Emotive DM	Performance	0.07	0.37	0.04	0.60	151
Opportunity Alertness	Performance	0.15	0.07	0.20	0.01	151
Innovative/Creative	Performance	0.15	0.08	0.18	0.03	151
Market SO	Performance	0.23	<0.01	0.26	<0.01	151
Relationships SO	Performance	0.18	0.02	0.24	<0.01	151

Table G22: Multiple Regression of M with C and E

Regression Summary for Dependent Variable: Strategic orientation market (Spreadsheet103 in ANOVA comparing groups EXP_151211)
R= .22353182 R²= .04996647 Adjusted R²= .03712818
F(2,148)=3.8920 p<.02253 Std.Error of estimate: .83317

	b*	Std.Err. (of b*)	b	Std.Err. (of b)	t(148)	p-value
Intercept			2.760728	0.647920	4.260910	0.000036
decision making cognitive	0.197644	0.080164	0.228596	0.092717	2.465515	0.014824
decision making emotive	0.098078	0.080164	0.115025	0.094015	1.223478	0.223094

Table G23: Multiple Regression of R with C and E

Regression Summary for Dependent Variable: Strategic orientation relationships (Spreadsheet103 in ANOVA comparing groups EXP_151211)
R= .07779652 R²= .00605230 Adjusted R²= -----
F(2,148)=.45060 p<.63812 Std.Error of estimate: .69275

	b*	Std.Err. (of b*)	b	Std.Err. (of b)	t(148)	p-value
Intercept			4.855025	0.538717	9.012204	0.000000
decision making cognitive	0.070282	0.081995	0.066077	0.077090	0.857143	0.392751
decision making emotive	0.031112	0.081995	0.029660	0.078169	0.379436	0.704908

Table G24: Multiple Regression of M with O and I

Regression Summary for Dependent Variable: Strategic orientation market (Spreadsheet103 in ANOVA comparing groups EXP_151211)
R= .53622669 R²= .28753906 Adjusted R²= .27791121
F(2,148)=29.865 p<.00000 Std.Error of estimate: .72152

	b*	Std.Err. (of b*)	b	Std.Err. (of b)	t(148)	p-value
Intercept			0.816894	0.544141	1.501254	0.135420
ENTREPRENEUR TYPE opportunity	0.473756	0.071200	0.572375	0.086021	6.653889	0.000000
ENTREPRENEUR TYPE innovative	0.166416	0.071200	0.211519	0.090497	2.337310	0.020763

Table G25: Multiple Regression of R with O and I

Regression Summary for Dependent Variable: Strategic orientation relationships (Spreadsheet103 in ANOVA comparing groups EXP_151211)
R= .25153681 R²= .06327077 Adjusted R²= .05061227
F(2,148)=4.9983 p<.00793 Std.Error of estimate: .67251

	b*	Std.Err. (of b*)	b	Std.Err. (of b)	t(148)	p-value
Intercept			3.769418	0.507183	7.432062	0.000000
ENTREPRENEUR TYPE opportunity	0.108347	0.081641	0.106407	0.080179	1.327127	0.186510
ENTREPRENEUR TYPE innovative	0.203981	0.081641	0.210751	0.084350	2.498526	0.013564

Table G26: Multiple Regression of P with C and E

Regression Summary for Dependent Variable: performance (Spreadsheet103 in ANOVA comparing groups EXP_151211)
R= .24800746 R²= .06150770 Adjusted R²= .04882537
F(2,148)=4.8499 p<.00912 Std.Error of estimate: .64270

	b*	Std.Err. (of b*)	b	Std.Err. (of b)	t(148)	p-value
Intercept			2.178413	0.499800	4.358569	0.000024
decision making cognitive	0.236906	0.079675	0.212661	0.071521	2.973399	0.003440
decision making emotive	0.065944	0.079675	0.060024	0.072522	0.827663	0.409194

Table G27: Multiple Regression of P with O and I

Regression Summary for Dependent Variable: performance (Spreadsheet103 in ANOVA comparing groups EXP_151211)
R= .18784572 R²= .03528602 Adjusted R²= .02224934
F(2,148)=2.7067 p<.07006 Std.Error of estimate: .65162

	b*	Std.Err. (of b*)	b	Std.Err. (of b)	t(148)	p-value
Intercept			2.496790	0.491427	5.080690	0.000001
ENTREPRENEUR TYPE opportunity	0.122310	0.082851	0.114688	0.077688	1.476268	0.141996
ENTREPRENEUR TYPE innovative	0.117731	0.082851	0.116138	0.081730	1.420998	0.157421

Table G28: Multiple Regression of P with M and R

Regression Summary for Dependent Variable: performance (Spreadsheet103 in ANOVA comparing groups EXP_151211)
R= .25525657 R²= .06515592 Adjusted R²= .05252289
F(2,148)=5.1576 p<.00683 Std.Error of estimate: .64145

	b*	Std.Err. (of b*)	b	Std.Err. (of b)	t(148)	p-value
Intercept			2.371226	0.432564	5.481795	0.000000
Strategic orientation market	0.189622	0.085482	0.147170	0.066344	2.218281	0.028059
Strategic orientation relationships	0.114773	0.085482	0.109583	0.081616	1.342667	0.181435

Table G29: Multiple Regression of C with O and I

Regression Summary for Dependent Variable: decision making congitive (Spreadsheet103 in ANOVA comparing groups EXP_151211)
R= .15439778 R²= .02383868 Adjusted R²= .01064731
F(2,148)=1.8071 p<.16773 Std.Error of estimate: .73020

	b*	Std.Err. (of b*)	b	Std.Err. (of b)	t(148)	p-value
Intercept			4.636663	0.550692	8.419709	0.000000
ENTREPRENEUR TYPE opportunity	0.128646	0.083341	0.134381	0.087057	1.543608	0.124819
ENTREPRENEUR TYPE innovative	0.061246	0.083341	0.067305	0.091586	0.734887	0.463571

Table G30: Multiple Regression of E with O and I

Regression Summary for Dependent Variable: decision making emotional (Spreadsheet103 in ANOVA comparing groups EXP_151211)
R= .12806082 R²= .01639957 Adjusted R²= .00310767
F(2,148)=1.2338 p<.29416 Std.Error of estimate: .72286

	b*	Std.Err. (of b*)	b	Std.Err. (of b)	t(148)	p-value
Intercept			4.425651	0.545156	8.11813	0.000000
ENTREPRENEUR TYPE opportunity	0.094171	0.083658	0.097012	0.086182	1.12567	0.262128
ENTREPRENEUR TYPE innovative	-0.110463	0.083658	-0.119716	0.090666	-1.32041	0.188737